

Transcript - March 18 AmeriCorps Rulemaking Session

AMERICORPS RULEMAKING SESSION

MARCH 18, 2004

SEATTLE, WASHINGTON

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P R O C E E D I N G S * * * (Proceedings began at 1:04 p.m.)

DAVID EISNER: I think we are going to get going so that we have as much time as possible to listen to what you have to say. Welcome. Thank you very much for joining us for this regional meeting to discuss rulemaking. It's extremely gratifying to me and to the other folks in the Corporation that we are able to have this kind of deep and supportive dialog before we enter into the formal rulemaking process. What we want to spend virtually all our time doing today is hearing from you. But I thought it would make sense to lay out a little bit of background as context before we do that. First of all, I want to introduce Rosie Mauk, the director of AmeriCorps. Gretchen Vanderveer. Gretchen Vanderveer is our director of leadership and technical assistance. And Nikki Garen is our general -- assistant general counsel -- associate general counsel. Charles is here, our program officer with this cluster. And Susannah Washburn, who is responsible for setting much of this up, the folks in from Washington to help. I also want to thank the folks that participated a little bit earlier with me in a dialog that I also found extremely helpful and constructive.

And as I mentioned then, we are at a really interesting crossroads for the Corporation and for the AmeriCorps program in particular. We come off a brutal couple of years. '02 and '03 were tough years for the Corporation, and because of that, much tougher years for our grantees and for our commissions and for the people that wanted to serve in national service. Last year we were only able to get out somewhere around 29,000 AmeriCorps -- we were able to support 29,000 AmeriCorps slots, which was very disappointing for everybody and has caused enormous hardship. And I want to make sure that what I am about to say about our momentum, that you understand that I understand that even though we are far better funded that we are not going to see relief in the field until fall and that a lot of folks are still going through a lot of pain. That having been said, partly as a result of our grantees really pushing hard, we are now at a point where we have never had so much momentum. We have the largest funding increase in the program's history. We have a level of bipartisan support in both the House and Senate we have never had before. We have virtually all the governors lined up in support of the program. We have hundreds of newspapers, national, regional and local strongly supporting the program, both in terms of focusing on the resources that the Corporation needs to fund AmeriCorps but also in terms of recognizing what the programs are doing in the field that's incredibly valuable. At the same time Congress and the President and our board of directors has asked that we finally put an end to some of the long-standing policy debates that have been basically crippling predictability for our grantees. Every year our grantees have to guess what the match is going to be

next year on the admin. side, on the member support side. They have been trying to guess what kind of restrictions and restraints we are going to put on use of that funding. They are trying to guess how we are going to be managing performance measures and trying to guess what the cost per FTE is going to be. That's no way to run a railroad. It's completely unacceptable. And we need to come out of rulemaking with a sense of stability, predictability, and consistency. And that means addressing some of these issues that every single year have caused a fracas in our appropriations and sometimes authorization process, the issues around sustainability, around federal share, around matching requirements, and so forth. We have been told by the President, by Congress, and by our board that the way to do this is rulemaking. In fact, they have not given us a choice. The law passed for our '04 appropriations act requires that we do rulemaking this year. Our board of directors has required that we do rulemaking. And a couple of weeks ago the President put out an executive order that anticipated that we would do rulemaking this year and even articulated what some of the goals should be. So we are going to do rulemaking. And we are going to get it done or at least get the tough issues done in time for grantees to know what the rules are going to be as they go into the '05 cycle. And then by the '06 cycle we hope to have eliminated the process of providing you with annual guidelines and guidance that basically changes and that you have your attorneys and program people pouring through for hours on end and calling us with questions about what different things mean. We are going to change that whole process and put things in the Federal Register where they won't be changed except through a very well thought through and long, long term process. But we know that we cannot do rulemaking by scratching our heads and figuring out how do we solve these issues that have caused an enormous amount of turbulence in the field and in Congress for some time. So what we have done is we have added a step to the rulemaking process. Normally rulemaking means that the agency proposes rules, receives public reaction to those rules, and then issues a final set. What we are doing is we are doing a preliminary, preliminary public input. Prior to us putting pen to paper, we are trying to get from everybody a sense of what is important, what do we need to protect, what do we need to get accomplished, what are some innovative ways of doing what we have been asked to do that end up strengthening the field, strengthening our grantees, strengthening the program, and broadening our sense of public support for AmeriCorps and at the same time achieving this level of consistency. I want to make just a couple of preliminary points before I ask Rosie Mauk to walk through what the specific issues are that we are looking to resolve. The most important point is we have no preset outcome. From some of the folks that I have spoken with, I know that's really hard to believe. But it's the truth. First of all, I am brand new. I have been here for two months. And I don't know what the right answers are. I know that we are going to do it. I know that we can do it. I am already seeing from the first hearing that we had that there are some really innovative solutions that we just had not even considered before as ways that we can tackle some of these issues and come out even stronger. So I believe that we still have a long way to go to make sure that we know everything that we need to know before we can start putting pen to paper and saying, okay, here is the way we are going to move forward and here is what the draft rules are going to be. So with the fact that we have no predetermined outcome, the two other messages that I have for you is that we intend for the process to be completely open, transparent, and fair. And, secondly, we intend for the outcome to be fair and equitable. And, fortunately, you will get to -- you will get to see if I am walking the talk since the rules will be out in a matter of months. And you will have an opportunity following the release of the rules to let us know what you think of them. And with that being said, I hope that today we can have as much of a dialog as possible. I have been roundly criticized for spending too much time at the last hearing asking questions. But I have

said that I don't intend to stop. I hope that doesn't mean that we get fewer people talking than we'd like. But, Rosie, can you walk through what some of the issues are?

ROSIE MAUK: Sure. Thanks, David. I hope that you all -- I presume for those of you, many of you have traveled long distances to be here and we thank you for doing that -- that you have had an opportunity to read some of our materials. If you did not get them today, get them. If you get back home and you need some more, they are all on our web site. We are going to try to continue to keep that web site as updated as possible.

And so -- but with that, we just want to just highlight what we have been indicating are the seven top issues that we outlined in the Federal Register. And then just to give you some indication -- again this information is on the web site -- some of the feedback that we have gotten in Washington and some ways that we might think about addressing these issues. We think it's important knowing that we are out in the field that we are going to hear an awful lot on one side of what you as grantees in particular think might happen. And we just want you to know what precipitated these conversations for us around these issues. So the first one is a more general question. And that is as AmeriCorps continues to grow, what changes can you identify to make the program more efficient and effective? And well over a year ago our board of directors, through a grant making task force, recommended to us a staff to eliminate or greatly streamline our annual guidance by converting the appropriate application guidance and provisions into regulations. So this was really long before Congress and the White House asked us to do this. In regards to sustainability -- seems to be the issue we are hearing the most about these days as we are listening -- a couple questions that we are hoping people will help us address. How can the Corporation and the field achieve the right balance of federal and private support? To what extent should the level of Corporation support for a program or project decrease over time? How can the Corporation further support and encourage greater engagement of Americans in volunteering? Our board and our appropriators have both asked us to define sustainability through this rulemaking process. And Congress has said to us that the Corporation may establish policies and procedures to set limits on the number of years recipients may receive assistance to carry out a project, increased match requirements and implement measures to determine whether projects are generating sufficient community support. In regards to the federal share, a couple questions to consider. Should the Corporation calibrate matching requirements to reflect the differences among programs? Or should the Corporation adopt matching requirements for member related costs that are different from requirements for other program operation costs? The White House in their executive order said to us national and community service programs should leverage federal resources to maximize support from the private sector and from state and local governments with an emphasis on reforms that enhance programmatic flexibility, reduce administrative burdens, and calibrate federal assistance to the respective needs of recipient organizations. And our appropriators have said to us, to the maximum extent practicable the Corporation shall increase significantly the level of matching funds and in-kind contributions provided by the private sector and shall reduce the total federal cost per participant in all programs. Regarding performance measures and evaluations, what are appropriate performance measures for programs and how should grantees evaluate programs? Again the White House in their executive order said national and community service programs should adopt performance measures to identify these practices that merit replication and further investment as well as to insure accountability. And a few other items regarding literacy and reading tutors. How can we insure that members serving as reading tutors have the skill and ability to provide the necessary instruction to the populations they serve? And what should the

curriculum and training requirements be for literacy programs? The White House says national and community service programs based in schools should employ tutors who meet required paraprofessional qualifications and use such practices and methodologies as are required for supplemental educational services. And two more left. The timing of grants. Does the current time frame for awarding grants work and what improvements can we make? Again our board of directors asked us to consider well over a year ago shifting our grant calendar back. And the appropriations conference report says that they encourage the Corporation to consider a change to the grant cycle so that grant awards can be made to recipient organizations before the organization recruits members to fill awarded slots. And on our selection criteria, what criteria should the Corporation use in selecting programs? How can the Corporation streamline its grant application process for continuation applications? Our appropriators have said the Corporation, to insure that priority is given to programs that demonstrate quality, innovation, and sustainability. We are really thrilled to be here today. As David said it is our second meeting. We have three more to do. We have a number of public conference calls that we are hosting. At the end Gretchen is going to talk to you about all the other ways that you can give us your input and how today's process is going to go. Every community has decided a different way to do this. You actually had so many more people sign up that we are not going to have the kinds of panels that we had going in to Ohio's. But what we want to say to you is that we are looking for a breadth of issues to be covered. We are looking for different perspectives. And we know that it's in a very short time period that we are going to have to do this work, as David indicated. And so with that I am going to turn it over to Gretchen to explain how we will quickly start this so we can listen the rest of the afternoon.

GRETCHEN VANDERVEER: Thank you, Rosie. For those of you who find visual aids helpful, I would like you to imagine if you could that I am wearing an orange belt and it kinds of goes like this and it has a little silver buckle on it, and I am your traffic cop for today because that is essentially what my role is going to be. I am going to try and move the speakers through as quickly as possible and yet at the same time give Rosie and David an opportunity to ask any clarifying questions that they need in order to feel like we have left here really understanding what the various perspectives were in this room. And we will be taking that back to Washington. Nikki is taking notes. We also have a court reporter here, so everything you say is going to be recorded and, in fact, will be posted on our web site. I believe the notes from the Ohio meeting were. So this is a process where we want to get as much as we can out of the group. We have 35 speakers who have been registered, who have registered to speak. We would like to get to all of you. If in the event we do -- and I am not very optimistic about that but we are going to do our best -- if in the event that we do hear from all 35 or anybody who is pre-signed up and we have time for additional speakers, we do have the mikes in the audience and I will ask you to come and stand there. But what we will do with the people who have signed up in advance, I am going to call you up in panels of four and three. And the first set I will call to -- the first four to this table, and then the next four to come up front here and be on deck, so to speak. And then when this group is done, this group will rotate up, and I will call the next group to come be on deck so that we can start speaking and won't have to wait for people walking through the audience except but once. When you get to the table to speak, the first thing we need you to do when I call your name is to state your name and your affiliation for the record. Again we have the court reporter here so we want you to officially introduce yourself. You will have three minutes to speak. I know that sounds like a very little amount. But we really need you to honor that for the sake of your colleagues in the room. You will get a one minute warning mark and it will look like this. Wrong one. That's the yellow light. That's your yellow one minute warning light. At the three minute mark you will get

this. And that is your red light which usually in our culture means stop; okay? So if you have a few more words to go, there is no danger, danger, warning, warning sound that will go off. No, we are going to be civilized about this, you may finish. But you may get a menacing eye from David or I or something like that. But really we are trying to be very civilized about this. We are asking your cooperation. After the panelists have all had a chance to give their statements, I will look to David and Rosie and say to them, do you have any questions for any of our panelists? And at that point if David or Rosie would like to ask you something in clarification, they will do that. And then we will call the next panel up. So is there any questions before we begin? Now, David does want to reserve the right to ask you a question --

DAVID EISNER: Can I just to state the obvious, we are calling them panels. They really are held together by nothing except the order in which you signed up. The only thing we are trying to do here is let a bunch of people talk before we go into Q and A. So even though it's going to look like a whole panel speaks and then we may have some Qs for different people, it's not because the panels themselves have anything coherent about them.

GRETCHEN VANDERVEER: Except for the fact that the first several panels that were predetermined before this meeting will be coming up sort of as a delegation, a state delegation, so we will be doing that. But David also reserves the right at any time if he has a clarifying question in the middle of your statement to ask it. So we have sort of a format but we may deviate here and there as the spirit moves us to. Okay. With that I will go ahead and call the first group up. And the first group is not a state delegation. These are folks who I think have time constraints and need to be first on the agenda. So could I have Walt Howe, Lara Iglitzin, Eric Holdeman, and Robin Pasquarella, please come up to the table. I would like to have Lauren Moore, David Harrison, Wendy Sherrer, and Vicki Harper up here on deck, please. You don't see Robin? Okay. What about Eric Holdeman? He's not here either? Okay. Bill, can you let me know when they do get here? Thank you. Why don't we go ahead and have Lauren and Wendy join Walt and Lara. The first speaker is Walt. Walt, you have three minutes.

WALT HOWE: Thank you. Mr. Eisner, Ms. Mauk, Ms. Vanderveer, other guests from Washington, D.C., my name is Walter Howe. I have been a commissioner of the Washington State Commission on National Community Service since 1994 when it was formed. And in the absence of our chair, was out of the area, I had the pleasure to welcome you to the other Washington and thank you for being here. In another life I too was a presidential appointee with similar responsibilities to Mr. Eisner in the Nixon Administration's predecessor to the Corporation. And I know very well the enormous pressures on you to stay in Washington D.C. and also the voices that assure you that only there is the big picture clear enough that you can make decisions. And so we particularly appreciate you being here. We are impressed that one of the first things you are doing in your new administration is to come to the field. And we are hopeful that it will be the start of a long and continuing dialog to both of our benefits. A very personal observation from my federal experience, I wish during the last very difficult years, year particularly that the Corporation had been more willing to consider allocating whatever funds were available and with whatever guidelines they wanted to the state commissions to allocate to the programs that they were so familiar with. I say that now not to look back but to lay the foundation for two suggestions that I would like to make. First of all, we applaud the President's priorities stated in his executive order, quote, to build and reinforce the culture of service, citizenship, and responsibility in the nation. And, obviously, how you fashion the regulations on sustainability and cost per member

particularly will depend on -- will result in how well we are -- how successful we are in achieving that objective. One of the priorities of the Washington State Commission from its beginning has been to seek out underserved areas in our state, to assist them in area-wide planning and the implementation of programs. Those areas are often far from Puget Sound. They often have the greatest need for services and the most limited opportunity for increased matching funds. As you consider regulations dealing with sustainability and establish requirements that you are going to be required to do to lower cost, I urge you not to create a structure where we will only find AmeriCorps in counties like Montgomery County, Maryland, and not in Okanogan and Clallam counties in Washington state. My longer written submission offers a number of suggestions related to phasing, relating to certainty, which you mentioned, relating to matching funds where we hope that we can develop a system where matching funds are recognized but not counted in the cost per member that is reported to Congress. But in the interest of the yellow light, I want to only mention the eighth suggestion. We urge you to consider giving the state commissions flexibility to meet whatever requirements there are statewide and based upon economic conditions, specific program locations, et cetera, rather than mandating them as a blanket basis for every program. Similarly, as we all try to improve on performance measurements which is very difficult and very costly, rather than expect each program to achieve improved performance measurement with already inadequate resources, we urge you to consider bundling a requirement and evaluation allocation to the state commissions, perhaps even including the local versions of the national direct programs. In the interest of the red light, I will stop there and simply thank you for coming to the other Washington.

GRETCHEN VANDERVEER: Thank you, Walt.

DAVID EISNER: Thank you.

GRETCHEN VANDERVEER: Okay. Lara, you have three minutes. And I also want to remind everybody that we are accepting written testimony and we will be taking that back with us.

LARA IGLITZIN: I would like to state for the record that we were not told about the three minutes by a certain person who asked us to speak. Right, Walt? Good afternoon. I am Lara Iglitzin, president of the Board of the --

DAVID EISNER: Can I interrupt for one second? I apologize. Three minutes is feeling just from the first speaker, if we know we have three hours, are we right to limit -- well, two and a half hours left -- are we right to limit everyone to three minutes so we can get everybody in or should we let folks speak a little bit longer and have fewer people speaking? Everybody -- I am seeing people nod that we are right to limit to three minutes. It's frustrating a little bit for me to hear things so abbreviated, but if people think we are right --

AUDIENCE MEMBER: One suggestion is if the point that you were intending to make has already been made, then to choose not to speak up if you feel like you have already been represented, that might help reduce the number of people that give testimony.

DAVID EISNER: I think we will have to be relying a lot on your follow up and on the written comments. I really appreciate your being here, and I am not sure that three minutes was enough to actually get it all but --

WALT HOWE: I won't take more time other than to thank the former governor of the state who is also sitting in the back of the room, Mike Lowry, for his support of the AmeriCorps programs and for my opportunity to be on the commission since 1994.

DAVID EISNER: So we are going to do three minutes, see how it feels. Thank you.

LARA IGLITZIN: Okay. Thanks. I am Lara Iglitzin, president of the Board of the Grant Maker Forum on Community and National Service which is Coalition of Grant Makers that have been brought together around these issues. And I am also executive director of the Henry M. Jackson Foundation, which has funded quite a number of these kind of community service and national service program. I would also like to thank the panel for the invitation to speak. And I know that we share a vision for the important place that national service can and should play in our civic landscape. That is why I am a little concerned that ten years since the adoption of the National and Community Service Trust Act, the U.S. Congress still appears to adhere to the notion that national service is a program and not a nation building effort that has a critical national purpose and is a part of our social contract. That's the mission that has driven the involvement of the Grant Maker Forum for the past ten years in this subject matter. National service inspires young people to do good work, to contribute and take responsibility for the communities in which they live. It demonstrates the role we each play in solving the problems of our neighborhoods and our nation. To the extent that national service is positioned as a work fare program, a wage subsidy, or government funding for community-based nonprofits, it will and should be treated as a publicly funded private enterprise. But that is not the national service we signed on to support. National service has held the promise of bringing us together, introducing us to each other's communities, bridging the differences inherent in our pluralistic and multicultural society. National service has held the promise of being a builder of bombs. This is why national service must be led and supported first by government and why we as Americans should all expect to serve. In this context, then, what do we want and what do we mean by sustainable national service? We want national service programs that justify our federal tax dollar investment by virtue of what they accomplish for our nation. Programs that are operated by nonprofits will never sustain themselves. They will always rely on outside funding and support. As long as an AmeriCorps program is well run, well managed, and delivers on its promise to contribute to our nation building objectives, it is deserving of federal support. To insure that AmeriCorps programs do deliver to the American people, the Corporation should incorporate selection criteria that reflect the state of the art about effective nonprofits -- well defined missions, well run boards, committed volunteers, et cetera. I think that people love the word sustainable because it implies that the person or organization that is sustainable will no longer require our support. Our national service initiative in this country is not monolithic. It is community based and relies on our voluntary sector for execution. The voluntary sector by definition is not sustainable without public and private financial support. Yellow light. Let's see. We believe that there are opportunities to cultivate better partnerships with national and local foundations, but we must first agree that the primary purpose of national service and the secondary role that philanthropy plays in its support. Philanthropy is never going to substitute for public funding. I will skip some of the things. And I also have appended written testimony. I would say that our commitment to national service should be vigorous and relentless as our commitment to public education. We do not look for exit strategies for funding the military. We do not look for exit strategies for funding public education. We do not look for exit strategies for funding our central infrastructure. And the reason is because we consider these to be essential elements of a strong and successful nation. They are in our national interest. I would just add that in response to the question of whether or not the Corporation

should limit the number of years for which a program or project may receive funding, the philanthropic sector would answer that we should only limit AmeriCorps funding when we don't want those AmeriCorps programs to exist any longer. To the extent that the programs are of high quality and providing meaningful experience, then there should be no limit on federal financial support. The Corporation should, however, be vigilant in discontinuing funding to programs that fail to meet these high quality standards and provide meaningful experiences. I appreciate the opportunity to testify today, and I have included a few things in my written materials.

GRETCHEN VANDERVEER: Great. Thank you, Lara.

LAUREN MOORE: My name is Lauren Moore, and I am the director of giving and community affairs for Starbucks Coffee Company, which means I have oversight of the Starbucks Foundation, the corporate giving program and the community affairs program. Starbucks as you know, global company based here in Seattle. I'm guessing you have all heard of it. Our coffee houses add to community life by serving as gathering places for neighbors and friends. Beyond the gathering place Starbucks makes it a priority to contribute to the communities where we operate. Starbucks forms partnerships with local and national nonprofit organizations to support our communities. And one of our primary focus areas is literacy. One of the principal ways we do that is in partnership with an AmeriCorps program called Jump Start. Through its many local chapters Jump Start is reaching preschool children in low income communities and pairing them with college student mentors on a one to one basis. The college students are Jump Start corps members, are supported through work study funds and the AmeriCorps program. Without that support Jump Start and programs like it cannot maintain or grow their efforts to reach even more children. Starbucks chose to partner with Jump Start for a number of reasons. And one of them was the unique public/private partnership to provide these preschool children with that spark, that attention and caring and support from a mentor who will literally change their life. And that support will not come from the private sector alone. We stand ready and willing to continue our support of public/private efforts that make a real difference. We urge the President, the Congress, and most importantly the Corporation for National and Community Service to continue to take a leadership role by providing federal dollars for these incredibly important programs that are essential in inspiring young people to work in and improve their communities. Did I make it before the yellow light?

GRETCHEN VANDERVEER: You did.

LAUREN MOORE: Excellent. Thank you so much for the opportunity to share that input.

GRETCHEN VANDERVEER: Thank you.

WENDY SHERRER: My name is Wendy Sherrer, and I am the executive director of Nooksack Salmon Enhancement Association. I drove down this morning from Bellingham, Washington, up by the border in the northwest corner of Washington. That's Malcolm Benskin, who finished his year with AmeriCorps in September. And we are one of the fourteen regional fishery enhancement groups in Washington state set up by the state legislature in 1990 to coordinate community based salmon recovery and stream restoration around the state. So there is thirteen other executive directors like me that work on this kind of thing. And we have relied heavily on AmeriCorps help to get our work done. We have supported one to two Washington Conservation Corps

crews and also some individual placements through the Washington Service Corps. And I thank the State Department of Ecology for asking us to come today. With each of these crews we've had one supervisor, and then -- they are not an AmeriCorps person -- and then five young people that work on these crews. And they have helped us with restoring over ten miles of stream and organizing over 2,000 volunteers every year. And I brought in our annual report to share with you. We have been very successful in really making a difference in our environment in the last ten years and particularly in the last four years when we've had our AmeriCorps crews. The partnership between NC -- that's our acronym -- and the AmeriCorps program is a wonderful example of cooperation and efficient leveraging of resources. It's great to see our friends from Starbucks here's. They adopted a site along a stream, and all five Starbucks stores comes out with our AmeriCorps folks and restores streams in Wahkiakum County. So we have many, many business partnerships including oil refineries, aluminum plants, farmers, and lots of private land owners who just highly value our AmeriCorps Washington Corps youth. They are an important work force. They show up at 7 a.m. every morning. They work ten hour days, four days a week with their work boots and hard hats, and they are working in all weather conditions. You think this is cold and windy and wet today but you should see it in December when they are out there planting trees. We train them all. We get about a \$65,000 match that we provide, but we do all the training, housing, provide all the tools and equipment and supervision for these crews. And so I guess my messages, we lost fifteen AmeriCorps workers as of September 30th this year. And we really believe in the concept of sustainability as something the leadership should really work on because having an exit program where we already have business partnerships and landowner agreements takes years, months if not years to develop. And having a good work force, that once we get all the permits and set up our projects that we can count on to help us and we can train them and get them up and running every year is a really important thing for environmental restoration, which is a really long term investment that we need to make as a society. We believe that AmeriCorps should remain a successful public/private partnership. And it cannot survive unless it is a public/private partnership. And we will be committed to raising the match funds during the recruitment, management, supervision, materials and supplies, mileage, training, and necessary housing. And so it's not just the money we come up with for match but it's all the other elements that make it a sustainable program. So my last point is that I would just hope that your timing of grants would insure that you come through with what you say you are going to do. And we were supposed to get another work crew in February. That did not come through either. We have everybody lined up to do these projects and then the funding falls through. So predictability for all the partners with this program would really strengthen it.

So I have some written testimony that's a little bit longer than my three minutes, and I will leave that with you. But for our business community, our private landowners, our county council and our mayor in Bellingham, the AmeriCorps program is a win, win, win situation for the environment, for the youth that serve in it as well as for our nonprofits throughout the state. And we hope that you would change the rules to make it a sustainable program in Washington state.

GRETCHEN VANDERVEER: Thank you. Thank you, Walt, Lara, Lauren, and Wendy. And again we apologize for the short amount of time that you had, but we were very thoughtful with your comments. I am now going to ask Rosie and David if they have any questions for the panelists?

ROSIE MAUK: I am going to ask Wendy just real briefly when you said that we hope that we will build, move forward with whatever the new guidelines are, et cetera so that you are sustainable, what would that look like?

WENDY SHERRER: Well, the idea of a three year commitment would be very useful, because most of the environmental projects take a year to two years to get set up, permitting, ready to go and raise the match funding. So the three to five year template - five years would be great, but three year template of making a commitment for three years would be a really wonderful thing for the nonprofit community, I believe.

ROSIE MAUK: Thanks.

DAVID EISNER: Walt, I have one question for you. I understand and appreciate the concern that any rules that we might issue, we have to be really careful about how they would play in a rural community, what the impact would be. Do you think we should be looking at it more in terms of figuring out what a more applicable set of rules would be for the rural community or do you think we should be looking at it more in terms of making exceptions to rules more available for rural community?

WALT HOWE: Exceptions are bothersome. I would like -- I think I would like to see some indicators or criteria that could be applied to all programs but which recognize the uniqueness of particular programs in isolated locations and high unemployment areas and disadvantaged communities, somehow built that into the entire regulation as opposed to dealing with everything as an exception. Once you start with exceptions, you don't know quite where to stop.

DAVID EISNER: That's what I meant. Thank you. I think that's going to take some work to figure that out with me.

WALT HOWE: Yes, it is. I understand how difficult it is, and we would be happy to continue to offer suggestions about how to do it.

DAVID EISNER: I assume Lara had some questions. First of all, thanks to you and the organization. The Grant Maker Forum on National Service continues to be a strong supporter of everything we are doing. A lot of what I heard you say felt a little bit closer to don't do it than here is how you do it right. And I would hope that we would be able to work with the Grant Maker Forum to really, you know, not doing it is not an option, so it's really important that we get it right. And I would rather -- I think there is some really interesting questions. I understand why you would say that you would rather this not be a program, would rather be a national commitment. The fact is this year we are going to have somewhere on the order of half a billion dollars in the AmeriCorps program. That means we are moving into a world where we are going to be saying no a lot more often than we are saying yes. And we are giving grants. So I would be particularly interested in having grant makers tell us how should we be thinking about what our obligations are to people who haven't had access to our grants versus people that have enjoyed the grants for a long period of time. To ask questions of grant makers, like to what extent do we consider community matching funds to be a proxy for the level of community support so that we can begin to determine which programs that we are funding have greater buy-in from the community and begin to understand how do we think in terms of a life cycle. Clearly some level of our first grant is start-up capital. How do we begin to think that as the support for an organization moves beyond start-up and into continuation funding and then ultimately expansion funding, how

should we as a grant maker be thinking of what levels of support that organization should be picking up and that we can then be backing up, backing off sort of the start-up capitalization costs. I don't know if you want to respond now or --

LARA IGLITZIN: Well, I would just say that the Grant Maker Forum would be delighted to kind of sit down with you and try to hash these things out. I mean, I welcome the challenge of trying to craft -- help you craft rules which are more flexible. I think you referenced in your opening comments how shell-shocked many of us feel about the last few years. So there perhaps is that sense of, you know, please don't send anything down our way which may close down programs.

DAVID EISNER: And that's where we really want to go -- when I say how we do this right, we can't close down programs. So everything we could do in this prerulemaking dialog to figure out at sort of a granular, molecular level what is the impact of this kind of rule, what is the impact of this kind of rule, how do we shape it, from my point of view could help us prevent that from happening, whereas the philosophical debate about whether we should have rules, to me, could lead to us coming out with rules that are not as smart as they could be.

GRETCHEN VANDERVEER: Can I ask are there three people here from Alaska who want to speak? Very good. Now, Vicki, would you mind coming up to the table and the Alaska delegation? So you are going to be on the same table with the Alaska delegation; okay? Come on up. And then could Montana be on deck, please? So if I could have the three Montana speakers right up front, that would be great. Okay. Vicki, we will start with you. And then we will go to Elsa, Brian, and Ruth, in that order.

VICKI HARPER: Hi. I am Vicki Harper. I am a public affairs specialist with State Farm Insurance. And I would like to share with you a little bit about our experience with AmeriCorps. All across the United States State Farm is a strong supporter of service learning, and we certainly understand and appreciate the benefits of national service. We became aware that the Washington State Board of Education will soon require all high school students to complete a culminating project before they can graduate. We looked for a way that we could support school districts that wanted to incorporate service learning into their culminating project requirement.

To promote this effort and in line with State Farm's mission, we are currently sponsoring the placement of several AmeriCorps members through the Washington Service Corps in rural schools around the state. These AmeriCorps members are developing connections between schools and local organizations in helping to link students with opportunities for service that will also enhance their educational experience. I recently had an opportunity to meet these AmeriCorps members and hear what they have accomplished during the past year. Let me tell you I am overwhelmed by all the good work they have done. State Farm is proud to help projects like these get a start, and we will continue to support service learning. However, because of our grant making parameters and the nature of private sector funding, it's really unlikely that State Farm would ever take over the funding for a program on a long term basis. I understand that the Corporation for National and Community Service is looking at time limits for programs. I think it would be unfortunate to eliminate programs that have shown efficient use of federal funding and also unfortunate to instead invest in less efficient start-up programs. Thanks.

GRETCHEN VANDERVEER: Thank you. The next speaker is Elsa from Alaska.

ELSA SARGENTO: Good afternoon, everyone. My name is Elsa Sargento, and I am the executive director of the Alaska State Community Service Commission. And it's great to be here. And I welcome this opportunity to have met personally David Eisner, the new executive -- chief executive officer of the Corporation for National Community Service. The importance of this rulemaking procedure is underscored by Mr. Eisner's attendance along side with his board this afternoon. I also welcome this opportunity to apprise AmeriCorps about the view from Alaska concerning its rulemaking process. Ladies and gentlemen, Alaska State Community Service Commission currently serves only sixty-nine Alaska communities with AmeriCorps members serving in them out of three hundred areas through AmeriCorps and Learn and Serve Program because of funding limitations. While a few of these communities are large, first class cities such as Anchorage and Fairbanks, many are small rural enclaves. Some such as Eek -- and I hope that rings a bell with Rosie because she was there about two and a half years ago -- and Chgnik Bay are far from Alaska's road system and are not served by boat or train. Some cannot be reached by jet aircraft and are only serviced by relatively small piston driven aircraft. The Alaska's location and vast size coupled with lack of roads and scheduled air service has a dramatic impact on the budget of the Alaska State Community Service Commission. We face the expense of simply bringing out-of-state AmeriCorps members to Alaska. In most cases this entails air fare from a location in the continental United States to Anchorage, our largest city. Intrastate volunteers conversely may need to travel from a remote area to Anchorage or Juneau for training and orientation. In fact, in recent years one agency, SAGA, has experienced a cost of 10,000 a year for just recruitment travel. Then there is the substantial cost of travel for those doing service projects in the remote areas of Alaska. They may travel by scheduled airliner, air charter, and finally by boat or snowmachine to reach their destinations. Over the last five years the cost of such crew travel has averaged 150,000 a year. The current budget alone for the commissioners and staff of my commission to travel to commission meetings and for training is 42,248. And to send five new commissioners to Post Falls, Idaho, would cost us \$6,980. Against this background Alaska naturally focuses on the issue of sustainability in this rulemaking. The current methodology is to use a per capita formula to calculate the funds available for each state. This type of formula creates a huge challenge for the Alaska programs.

Alaska is the largest state with relatively small population, approximately 650,000 people. I would like you to visualize the state that is three times the size of Texas with communities that are spread throughout the 586,412 square miles of state with only one railroad system that extends to only 470 miles throughout the central part and a limited road system. Unpredictable weather changes make air charters and other ground and water travel unreliable with additional travel expenses through remote areas. To be more specific, Alaska equals the combined length areas of the states of Wyoming, Montana, Idaho, Oregon, Washington, and Utah. We in Alaska support the four concepts reflected in this rulemaking of the sustainability of grantees, setting performance measures for grantees, and achieving more efficiency in an accountable program. We ask, however, that Alaska's unique geography, weather, population, diversity, and general remoteness be reflected in the new regulations. Again I thank you for this opportunity.

GRETCHEN VANDERVEER: Thank you, Elsa. Okay. Brian, you are next on the list.

BRIAN CONNORS: Thank you. I am not covering a spot on my tie. I couldn't get it printed so I will have to do it later. My name is Brian Connors, and I've worked with the Rural CAP -- the Rural Alaska Community Action Program, AmeriCorps programs for

almost seven years. For the last four years I have been community service director. I am honored to be here today on behalf of RurAL CAP and on behalf of nearly four hundred former and current ARCTIC, BIRCH, students in service and RAVEN AmeriCorps members who have graduated over the last ten years from around the great state of Alaska. They have served in scores of rural Alaska native villages and communities that have benefited from the service of local AmeriCorps members. We hope and pray that AmeriCorps can continue in the state of Alaska. I first want to say that I appreciate hearing you talk about informal communication and your desire to increase it because what I saw this morning was a living example of it. And I want to thank you for that. But I want to talk a little bit about sustainability before the traffic cop brings her baton over here. We support -- at RurAL CAP we support members who stretch from the equivalent distance from Georgia to California. This is in terms of distance between the members. In rural Alaskan villages, we only recruit members in rural Alaskan villages, and they have no tax base, high unemployment and underemployment rates as high as 70 percent. The cost of living in rural Alaska is two to three times the cost of living in Seattle, and tribal and city councils don't have the capacity to administer AmeriCorps programs or members on their own. I, therefore, say that eliminating funding for programs on a time related basis would kill AmeriCorps in Alaska without a question. Over the last ten years only three main grantees have become AmeriCorps grantees in the state of Alaska. And we have together become experts at distance delivery and supervision, efficient and judicious with regards to funds and partnership building. And I would say that more CBOs and members would apply for AmeriCorps if limits on the federal share and the cost per member were increased and made more flexible for Alaska. In villages where milk when it can be found averages \$8.99 a gallon, the CNS cost per member share should rise rather than fall. Sustainability is in many ways what the member carries away from their year of service and into the future to pass onto others. Our programs carry portfolios many times what the Corporation grants us to do what we do. We seek and maintain partnerships that allow us to serve including with each other. With the pause, however, some of these partnerships and grant opportunities disappeared or they are in jeopardy. And I implore you to be flexible in the near future with regards to the match requirements for programs, especially rural programs as we seek to rebuild and sustain relationships and funding. The challenge is worth it, however. And many remote Alaska native villages suffer more than just from poverty but from access and poverty of opportunity. I will move on because I see that light is going to head our way. Some other considerations I would like you to consider are flexible grant years so the programs can continue to -- can hire staff just before and continue to have staff after the end of the grant period. And five year commitments or five year grant cycles would be nice. I wish that the Corporation could choose and use one format for reporting and applications. Whether it's eGrants or webbers, choose one and stick with it -- or make a new one. No, I'm kidding. I have had one staff member working thirty hours this week just to input all the stuff we have already done in Word into eGrants, so that's a serious consideration. I can see that my time is up. I will pass it on.

GRETCHEN VANDERVEER: Brian, thank you.

RUTH SCHOENLEBEN: My name is Ruth Schoenleben. I am the vice president of Nine Star Enterprises. We have AmeriCorps Literacy, Digital Divide, and work readiness related members. I passed on to you my written testimony, which I will recite in a condensed version. My emphasis today is on partners. Sustainability equates to partnerships. And partnerships equate to sustained funding. It's a time issue. It's a trust issue. It's an energy issue. It's a sharing issue. I can give you an example of the Anchorage Youth Development Coalition, which is a coalition of youth organizations

trying to provide unified services, shared resources. It's taken them two years to be at the place that they are now. And they were unable to host an AmeriCorps promised fellow. And Nine Star because of our experience was able to do that for them and with them. And the United Way provided office space and et cetera. There's just a lot of sharing within those coalitions, but it takes a long time for those things to happen. So refunding is crucial to that particular thing. I basically have three areas and three points in each area. First of all, I would like you to be really clear that we believe the power of partnerships does not happen overnight. Keep in mind that participants are members and volunteers and partner agencies and local government. It's all a part of the process. Sustainability requires refunding. Those are the three most important things I could say to you today. I commit as a part of this process, I commit to teaching partners to be better partners and to participate in a stronger and deeper way. I want to teach them how to do that. I commit to gathering more succinct data for the Corporation. And I am hoping you will let me find a more succinct way to deliver it. I also want to say that the third thing that I want to commit to is to sharing members with more partners in a more -- in a wide variety of ways. We do that in all kinds of ways, with youth organizations, with literacy organizations. We find parcels and pieces that we can share and develop and share programs. So I commit to sharing our members in an even greater way with our community. And the three things I would like for you to do is to teach Congress three things. Teach them, one, that AmeriCorps projects build individuals and community partnerships. No. 2, AmeriCorps projects are a catalyst for innovative partnering and resource sharing. Three, sustainability is not dependent on a project but on partnering and the future success of members and their clients. We want to use AmeriCorps members and our projects to build Alaska. We want to help people get a job, keep a job, advance on the job. That is always my mantra, and that's what we want to do with all of our programs. Thank you.

GRETCHEN VANDERVEER: Ruth, thank you.

ELSA SARGENTO: Excuse me, Gretchen.

GRETCHEN VANDERVEER: Yes, Elsa?

ELSA SARGENTO: The voice of Alaska would not be complete not unless I have to read this written statement of support from one of our senators. So if I could be permitted, please? Not all of them but a part of it.

GRETCHEN VANDERVEER: Absolutely. I will give you the same three minutes. Is that okay?

ELSA SARGENTO: No, not three minutes. Probably less. Because I won't be reading the whole thing that Senator Murkowski had written. But this is for David Eisner. Since their inception the Alaska State Community Service Commission and their nonprofit partners, RurAL CAP, Nine Star, and SAGA, have done a tremendous job providing services to Alaska's financially, geographically, and racially diverse population. Unfortunately, while the Corporation received the largest funding increase in the program's history for FY 2004, the temporary decrease in financial support to AmeriCorps programs in 2003 has had devastating consequences to all AmeriCorps programs in Alaska. During the rulemaking process it is important that the Corporation take into account the effect that the temporary decrease in funding had on AmeriCorps programs across the United States, particularly in Alaska. Additionally, the current formula that CNCS uses to distribute its funds is unfair to states like Alaska who have a

relatively small population but a large land mass, high cost of living, and unemployment, significant poverty, and one of the largest native populations in the country. The new formula needs to take into account that Alaska has a high cost of living and its population is distributed across the vast amount of land which is larger than California, Nevada, and Texas combined and includes many communities accessible only by air or water. And Senator Murkowski, Mr. Eisner, welcomes the opportunity to speak with you personally regarding these issues facing Alaska. And she is a very strong supporter of AmeriCorps programs. Thank you.

DAVID EISNER: Thank you.

GRETCHEN VANDERVEER: Thank you. And I want to thank all of the speakers, Vicki, Elsa, Brian, Ruth, and Senator Murkowski. David and Rosie, do you have questions for any of the speakers?

DAVID EISNER: I have two quick ones. Vicki, if there was a change in the matching requirements for some of the programs you support, particularly I guess the Jump Start, two related questions: Would it be easier for you to provide slightly more on the admin program side or slightly more on the member support side? And do you support one side or the other? And related to that, do you agree that as a program matures from founding to becoming more mature in the community that it has an opportunity to achieve higher levels of support from the community?

VICKI HARPER: First of all, I think that as far as State Farm's funding perspectives go, we would be more inclined to support the member or the program as opposed to the administrative costs involved. And, you know, that is kind of how we approach things. Regarding the sustainability question, I can only speak from our point of view that we provide support for it to get started and, hopefully, they will be able to continue without our support, whether it's another community organization, business in the community helping them out or continued funding from AmeriCorps. We are only in a position to fund for so long. But I guess I do agree that they need the continued federal support but, you know --

DAVID EISNER: Thank you. And actually anyone from Alaska can answer this, but Elsa spoke most directly to it. And maybe you don't need to answer this now but you can get back. But is there any other agency that uses broad formulas for allocating resources to states that would be a more appropriate model for us to use that takes better into consideration? I would have a hard time imagining the Corporation for National Service making up a new formula model for how we distribute to states. But if there is another model out there that you think treats Alaska more fairly, we'd certainly look into that.

BRIAN CONNORS: Maybe I will answer quickly by saying I know that the community services block grant funding is allocated on a formula basis. Furthermore, I believe the LIHEP (phonetic) programs use formulas for allocating funds to states. I also know that federal programs and including employees built into the funding for federal programs in Alaska is a 25 percent COLA which takes into account the cost of living in Alaska. I will say that Anchorage doesn't have as high cost of living as other parts of the country even, but certainly rural Alaska and many of the communities that we serve have two to three times what it is in Anchorage. So there is a couple of examples.

DAVID EISNER: Thank you.

GRETCHEN VANDERVEER: Thank you. Rosie?

ROSIE MAUK: Even though we promised ourselves that we will not respond back to comments, only ask you questions, I hope you heard David say this morning we are so aware of our broken system of eGrants, webbers, and we are almost there. We are merging the two this next year. And it affects so many people, like this week, I know, that you are -- I thought I would at least acknowledge that. And then I just have one quick follow-up question with Vicki. And that is that she said that you are not in a situation where you could consider funding programs going out. Is that because of policies that you have or --

VICKI HARPER: Yes, because that's the kind of philanthropy that we like to do to help things get started, to help program get started.

ROSIE MAUK: Thanks.

DAVID EISNER: Thank you.

GRETCHEN VANDERVEER: Thank you very much to each of the speakers. Montana, if you would please come up to the table here? And then I would like to have on deck, please, some individuals who need to speak earlier in the meeting. Is David Harrison here? No? Okay. Then Eric Holdeman and Robin Pasquarella? Great. We will have you two next. All right. The Montana group is Jono is the first speaker and Andrea and Molly, is that right? In that order then. Thank you.

JONO MCKINNEY: I am Jono McKinney, executive director for the Montana Conservation Corps. Thank you for being here. I appreciate being involved in the rulemaking process.

I guess the first thing I would like to say is, David, we need you to be an advocate for the grantees. And listening to some of your comments earlier, I sometimes wonder that our programs aren't broke, if perhaps perceptions of our programs in Washington, D.C. that may be off. So I worry a little bit about an agenda from Capitol Hill driving some of these reforms as opposed to actual performance of our programs and the impacts that our programs are having. And we need an advocate on Capitol Hill and I hope that you will be that for us. My comments regarding sustainability is that MCC agrees that the Corporation should promote sustainability of programs, but we support a holistic definition that acknowledges that sustainability is more than a question of reduction or elimination of operating funds. Our approach has been to sustain and expand the impact of AmeriCorps across the vast Montana landscape. Here we have to depend on horses instead of ferries and planes as in Alaska. I'm a former Alaska resident so -- but we are able to leverage those AmeriCorps resources into hundreds of community and faith based organizations. The definition of sustainability should encompass a program's ability to develop multiple partnerships, its ability to develop matching funds from diverse sources, and its ability to sustain measurable and lasting benefits for our people in communities. And actually looking back at the initial legislation from 1990, the words strong and broad based community support and multiple funding sources is part of the definition of a measure of sustainability. And we hope that is part of it. And all these partnerships, each of these agencies gains a degree of strength and sustainability through its association with MCC and AmeriCorps. Over 50 percent of these organizations are able to provide matching funds to support these activity, but for many others we are able to provide the activities for free. Increasing cost per members,

increasing requirements for nonfederal share reduces our ability to serve those smaller organizations and serve some of the rural communities. Second point about sustainability, MCC believes AmeriCorps funding and continuity enables programs to improve services, expand partnerships, and maximize the impact of federal dollars. To be successful in the long run, AmeriCorps programs should be allowed to re compete for grants. And I will just -- won't elaborate there. MCC believes funding continuity is essential to promote the ethic of national service and civic engagement. Just as raising healthy children requires more than providing food, clothes, and a roof, raising citizens with a lifetime commitment to service and citizenship requires more than a living stipend and education and a project. It takes more than getting things done to nurture these values. The best way for AmeriCorps to promote these values is to continue its support for programs that invest in high quality service and civic education for members. Cost per member: MCC believes that the federal share of the cost per member should not continue to decrease while the minimum living allowance for members increases. This year MCC pays directly to each full time member \$12,400. That's for living stipend, taxes and health insurance. We received \$12,800 to run the program. For 2005 with the increase in the living stipend, we will pay directly to each member -- this is essentially a check we give them -- \$12,850. Corporation will now only fund \$12,400. That's an \$850 per member impact of this change. Reductions in allowable costs while cost per member increases pushes programs to strip fundamental components from the program with resulting decreases in quality of services. For example, as MCC seeks greater revenues for projects, we must decrease the services we provide for free to dozens of community and faith based organizations. National service becomes increasingly restricted to those agencies that can pay for the services. Regarding federal share, MCC believes the attempt to limit the federal share and shift cost of AmeriCorps to the private sector undermines quality programs serving rural areas where private and philanthropic resources are limited or nonexistent. National service should remain a successful public/private partnership. The Montana Conservation Corps has been successful at leveraging its resources and, in fact, generates a one for one cash match to our AmeriCorps grant. However, any requirement to further limit the federal share has threatened to undermine the integrity of this public/private partnership.

DAVID EISNER: We are going to need to be fair to the other speakers. You are making terrific points.

JONO MCKINNEY: Okay. One last point with a suggestion, actually. MCC believes that the best way to insure sustainable programs is for the Corporation to maintain its -- oops, wrong point.

DAVID EISNER: Thank you very much.

GRETCHEN VANDERVEER: Andrea?

ANDREA VERNON: Thank you. I am Andrea Vernon, and I am the grant manager for the Montana Technology Corps Program. Laura Fellin is the project director here in the audience as well. We appreciate the opportunity to provide our input and ideas about the AmeriCorps rulemaking process.

Collectively Laura and myself have sixteen years of experience managing AmeriCorps programs made up of barely just more than one full time staff member. And these are statewide programs across a large state. We are currently in our fourth year of operation with Montana Technology Corps Program and we have twenty FTE. Today I

would like to address three areas in particular in relation to the rulemaking process. These areas are sustainability, the federal share, and the timing of the grant cycle. With regard to sustainability, we believe there are specific criteria that the Corporation should examine that contribute to the success of our program over time and define program sustainability. These criteria includes, first, the demonstrable impact that programs have through the direct service, through capacity building, and through member development activities. Second, the capacity of the program to implement effective programming. Third, demonstration of community needs and how the program is meeting them. Fourth, the development of effective community partnerships to work in collaboration with AmeriCorps members and programs to meet identified community needs. Fifth, the ability of the program to provide citizenship development and instill a lifelong ethic of service among members. And, finally, the ability of the program to garner resources, both financial and in-kind, from a variety of community planners. Regarding the extent to which AmeriCorps members should be engaged in fund-raising and other capacity building activities, we believe that members should be able to spend a minimum of 20 percent of their service hours engaged in fund-raising and other capacity building activities in order to insure that a reasonable amount of AmeriCorps service can be sustained at the sites beyond their service and their presence there. By only allowing members to do direct service activities, I think it limits the program's ability to work strategically toward maintaining a service activity beyond member's presence. We believe the Corporation should not limit the number of years for which a program or project may receive funding unless the program is not demonstrating impacts and effectiveness. It's not reasonable or rational, I believe, to end programs that are proven effective and continuing to provide needed services in an efficient and effective manner. The devolution of government services to the nonprofit sector cannot be effective without adequate funding of services and appropriate levels of organizational capacity to carry out those services efficiently and effectively. And that all takes time to develop. The Corporation can further support and encourage greater engagement of Americans in volunteering by continuing to fund proven effective programs that get things done through use of AmeriCorps members and volunteers. In addition, the Corporation can capitalize on the expertise of program staff and state commissions to offer comprehensive professional development opportunities for program staff to learn from successful program models. We have a lot of great models in this country, and it's very important for program sustainability to be able to learn from those models and share those resources. With regard to cost per member, it's our experience that the member cost have continued to increase while the Corporation per member allocation has decreased. And this causes problems for effective program management and implementation. I guess my point here is to be cautionary about reducing the federal share too much because it detracts from our ability to maintain the ethics of AmeriCorps and stick to the true values and purposes of AmeriCorps in developing citizens of our country. And, finally, with regard to the grant cycle, we have experienced success with the current cycle in terms of when grants are due and with our state time lines as well, and so we think the current cycle is working quite well. Thank you.

GRETCHEN VANDERVEER: Thank you, Andrea. Molly, if you would take three minutes, please?

MOLLY COLLINS: Hi. My name is Molly Collins. I am with the Montana Campus Compact. I run an AmeriCorps program called Campus Corps. The Montana Campus Corps is one of ten AmeriCorps and VISTA programs in Montana, and it is the only AmeriCorps program in Montana that supports college service, college based community service. Members are placed with nonprofits and faith based organizations to serve two years or 900 hours. And I recently learned that I am one of only three programs in

America that uses these part time 900 hours positions, so that's very rather interesting. Campus Corps is excited to be here today to assist the Corporation with the rulemaking process. With regards to sustainability Campus Corps is most affected by the limiting of the number of years of programs. Campus Corps is in its tenth year, and there is no other entity or foundation in Montana that could sustain this program. We encourage the Corporation to look at an overall state portfolio when deciding on whether or not to fund programs, to look at the rural versus urban population of an area to decide what programs it should cut and where. In regards to tutor qualifications, as I am a large tutoring program, I struggle daily with how to train my members to be effective tutors. The large portion of the tutors in my programs are college students that my AmeriCorps members recruit to be in their after school and in school tutoring K through 12 and adult basic tutoring programs. I am wondering what paraprofessional means for the Corporation for National Service. And some suggestions that I have are to actually have issue area conference calls on tutoring mentoring to help tutoring programs understand what it is exactly that the Corporation is looking for. I was trying to think of suggestions, but as I have limited experience as a tutor myself or running a tutoring program, I don't know what you mean by paraprofessional, so I ask that you really define that. And then the second question, how can we insure that programs engaged in literacy achieve reasonable and measurable outcomes? Collect some baseline data and tell us what that means, like what are you specifically looking for. And then we can train us, the program managers to then train our members. That's what I would look for in that respect. And, finally, in selection criteria for looking at programs, the first thing is to consider is, is there a need in that community for that program to exist. I don't know if that's always possible but it's the most important thing. Second, is the program effective. Does the program have sustainable and efficient outcomes. What is the state portfolio of the AmeriCorps programs in the state. How many do they have, what kinds of issues do they fund, what issues do they cover. Who and what are the community and faith based partners. What are their citizens' development plans. What are their capacities to administer the grant. And what is their plan for financial sustainability as well as project specific sustainability. Thank you.

GRETCHEN VANDERVEER: Great, Molly. Thank you. Exactly three minutes. And Jono and Andrea and Molly, we thank you all for your comments today. It is time for David and Rosie to ask any questions that you have of Jono, Andrea, and Molly.

ROSIE MAUK: I will ask just one question of Andrea. When you talk about fund-raising for members, over the last couple years we thought we were giving some broader direction to you all about that. And I am guessing by your comments we have not been specific enough. Can you just talk to me a minute about that?

ANDREA VERNON: Yeah, I think with the language in the last two years, the grant guidelines, especially this last year it was shown more obviously that was an area that members could delve into, but there is yet to be specific guidelines as to how much is too much or how much is enough. And I know it's very much based on program specific needs, and so in our program in particular many of our sites would like to utilize their members in that capacity because that will help to sustain that member service beyond their presence.

ROSIE MAUK: Thanks.

DAVID EISNER: I have two questions for Andrea. The first one is to you but actually I would like everyone to think about it. We heard more and more people hopefully talk

about the definition of sustainability, which is I think going to be a very important issue for us to get right. Sometimes the definition of sustainability feels so broad that it's hard for me to distinguish whether you are basically saying sustainability is synonymous with a successful program. And I was wondering whether you were drawing a distinction between what sustainability meant versus what sort of the overall characteristics of a successful program.

ANDREA VERNON: Sustainability in our program's eyes is the ability of the program to build a site to the point where they can continue the member service without having that member there. So our perspective is to be able to work ourselves out of a job at that site. But that's not to say there won't be continued needs at other sites. So it's not necessarily the program itself will go away but that the sites will grow and change over time based on sites' ability to wean themselves off the program through the use of different efforts that have happened both with the program and with the member working towards sustainability at that site. I don't think sustainability can be looked at separately from program effectiveness because the two go hand in hand.

DAVID EISNER: Right. The second question gets to appreciate the caution not to overly reduce cost per FTE or to be cautious of the impact. As we are dealing with reducing the average cost per FTE, one potential option to us that is also relevant to the sustainability issue is to basically, using extremes, to basically say that a program that is in its tenth year of AmeriCorps funding have a lower cost per FTE than a program that is in its first year of AmeriCorps funding. Does that strike you as a rational approach?

ANDREA VERNON: It does. And that's how we are working with our sites too, to help wean them off of us as well. We are trying to increase that required match that they provide to the program over time to help prepare them for that. So I think it makes sense. It's still a lot of times hard for programs to swallow, especially in states like ours where we have -- you know, the philanthropic divide is very prevalent, and we have very few private foundations and private donors in our regional area that can pick up the type of support that is needed in some cases. And so it's difficult to swallow, but I think it's something that needs to be looked at over time. And the cautionary note is more related to as we wean ourselves off of AmeriCorps funding, we lose that, the AmeriCorps ethic, which I think in my mind being with the programs now for going on ten years, is really what separates AmeriCorps from other types of programs out there. And it's those four main values that AmeriCorps purports to provide to members and programs and agencies and partners. And by decreasing that AmeriCorps presence through funding, we are decreasing those ethics that we are trying to convey to our members and our partners.

DAVID EISNER: Thank you.

JONO McKINNEY: David, may I speak to the question of efficiency for cost per member?

DAVID EISNER: Can you do it quickly?

JONO McKINNEY: Yes. As the cost per member has been going down, especially as it goes below the point of actually supporting the cost of the member, there is a point where operationally it's cheaper just to give us a flat fee with minimal accounting and reporting requirements, particularly accounting requirements, because there's a lot of accounting management that goes with documenting matches for various aspects. If we

are getting less than a cost to support a member, the less we have to start showing mixtures of matches, the less money we are spending on supporting members and the less money the Corporation is spending on verifying.

DAVID EISNER: Thank you.

GRETCHEN VANDERVEER: Thank you to the delegation from Montana. Could I have Robin Pasquarella and Eric Holdeman at the table, please? And on deck I would like the delegation from Idaho. Eric, I believe you will be the first speaker followed by Robin.

ERIC HOLDEMAN: Welcome to Seattle and King County. And I am Eric Holdeman, King County Office of Emergency Management director. You met Larry Gossett from our council earlier this morning. King County is the twelfth largest county in the nation. Highly diverse. We have 1.8 million population, thirty-nine cities, another one hundred twenty-six separate taxing districts. Like I say it's seven hundred separately elected local officials that agree on everything. Currently King County government has suffered and continues to suffer significant budget shortfalls. Over the last three years we have had \$120 million in operational budget cuts actually take place. And in 2005 we are looking at additional cuts taking place. That's from an operational budget that was \$500 million, now, of course, decreasing. Our current VISTA volunteer, Joan Maza, are you over there -- stand up, Joan -- there is a face to the volunteers that do this. And what I would like to say is pound for pound if you are going to allocate homeland security dollars -- and I know that's a priority for the Corporation -- we are way ahead of funding this type of thing. Perhaps it's a federal allocation issue. We are getting about \$75 million total into King County, this three county metro region. Give me a break. And Joan cost us \$5,000 to make it happen. The flexibility we have from this program has made a huge difference in that Joan was reaching out to people of diverse cultures. We have 27 percent of King County is nonwhite. 18 percent speak English as a second language. NPR just had a story out that census projection is in 50 years, 50 percent of the nation will be nonwhite. So we found it extremely beneficial to have her part of it. We share in the cost to Joan besides that \$5,000 match of phone, office space, cellular telephone, transportation, and that type of thing. Along with my testimony I placed in there a newspaper article that emphasizes the good work she has done. Has brought great credit to the Corporation itself and also some best practices that they have done. So I understand there is this potential to cut or increase the match requirement. I think you should understand that that same philosophy is being spread across other federal programs. In emergency management there is emergency management assistance program grants. That is proposed to be cut by 50 percent in 2005. And it's already a 50/50 match, and they are saying you can only use now 25 percent of that for personnel costs. And it's people who deliver programs and services, not equipment from that standpoint. We are already being squeezed very hard. Like I was talking about the budget, 70 percent of our local county budget, operational budget goes to cops, jails, prosecutors, and the like. Only 30 percent is available to spread across the rest of public health, parks, and, yes, emergency management. Our total budget that we have available for operational type needs is \$50,000. That's for a staff of seven people. That's training, printing, pencils, travel, the whole bit. So if you want to take additional moneys out of that \$50,000, it's just not going to happen. And I do think that the federal cost could be cut by providing -- if you do increase it because it will just be fewer programs matching it and fewer services delivered. And I really do think that this program compared to all the other homeland security dollars provide us with a flexibility that we are looking for at the local level and has allowed us to do programs that really

deliver services as opposed to many times here's a pot of money and you got to spend it here. So thank you.

GRETCHEN VANDERVEER: Thank you, Eric. Robin, again I think you came after our introduction, but we are doing these in three minute increments, which you could probably ascertain. And you get a yellow light at the one minute warning. ROBIN PASQUARELLA: I will talk quickly. Good afternoon and thank you for the opportunity to address you. I am here representing the Alliance for Education. I am the president and CEO of the Alliance. And I am also happy to say I was a founding member of the Washington State Commission on National and Community Service and served for over six years under the great leadership of Bill Basl, who we are lucky to have in the state. I want to talk to you today about some concerns that I have as somebody who comes from the private, philanthropic and business sector about your possibility of increasing the local match. My organization is made up of the business and community leaders in Seattle who have come together to work in collaboration with our public schools to support the transformation of our schools so that all of our kids will be achieving. We work in close collaboration with a number of entities in the community. We have been successful in raising over \$75 million in private funds since our inception in 1995 to support what is happening in the public schools. So I bring to you some perspective about the capacity of our community to generate other resources. Our Seattle students have benefited significantly from the work of AmeriCorps members in our school. This past year we have had more than thirty members serving students in a variety of ways from tutoring elementary students in reading to working in our middle schools to support the development of service learning programs. This work has had an impact actually over a number of years, and our school district has embodied community service and service learning as a graduation requirement for our school district. And I credit that to the years of work that we have had with AmeriCorps. I want to give you an example of a way in which your program impacts our schools. I want to tell you a little bit about one of our schools. We have one hundred schools in Seattle. And I was the other day visiting with a team from Fairmount Park Elementary School in Seattle. It's a school where 70 percent of the kids are on free and reduced lunch. And I happened to be talking to a third and fourth grader teacher who just coincidentally mentioned in the course of our conversation that he had gotten involved in teaching because he had been an AmeriCorps member, and that inspired him to go on to teaching.

But in his school he credits the presence of three AmeriCorps members who have been there in dramatically increasing the kids' reading abilities. We have seen in the past two years because of some of the creative things they did, in introducing a Harry Potter camp in the school and innovative outreach programs to parents and others, the reading scores have more than doubled as have the writing and math scores in the last couple years. So it's making a significant difference. So with this benefit you are probably wondering why the private sector wouldn't gladly pick up an additional share of the cost. And what I want to say to you in closing is that the context in which this is happening is severe fiscal pressures on our public schools across America. And in Seattle it's no different. We have a very diverse student population as well as the expectations of No Child Left Behind, which are goals and expectations that we share and support. However, it's creating some significant difficulties. This past year our school district has undertaken major cuts. In the past four years they will have cut \$50 million out of a \$430 million budget. We have been working in many ways to try to make up the difference and to provide the kind of resources that are needed to make the positive changes in our schools.

But the lesson from years of raising private money is that private donors are willing to give to programs that supplement public tax support, not supplant it. So many of our donors from corporations like Boeing and Washington Mutual to the Gates Foundation and other many individuals and leaders in our community, their interest is to invest strategically, not to supplant public tax dollars that have been reduced. So I want to close by urging you to think seriously about the impact on the programs of raising that local private share because the reality is that with the kinds of cuts our schools are sustaining, that as much as we value AmeriCorps, that additional resource need is going to be competing with very critical needs for teacher development and literacy materials and other things that are essential if our schools are to meet the goals of No Child Left Behind.

GRETCHEN VANDERVEER: Thank you, Robin. Rosie and David, do you have any questions for Robin or Eric?

DAVID EISNER: It strikes me in talking to other government officials, given the financial burdens that all of us are under, we are sort of it's almost like playing a game of chicken here in terms of who puts in the last dollar. But, Eric, in particular the way you were describing the value of what your organization is getting from VISTA, and you think you are getting -- basically putting in \$5,000 and receiving a twelve and a half thousand in direct grant plus 4,700 in the award plus as I understood it about 75 million in value from your VISTA, this sort of categorical statement that you pay 5,000 but you wouldn't pay 6,000 for that is a little hard for me to hear.

ERIC HOLDEMAN: Well, legislatively, like the Social Security system, we aren't going to fix it until it's broke. And emergency management disasters, it won't get funded until there's a catastrophe for it. There's going to be another \$15, \$20 million cut to county budgets in 2005. There will be no adds. There will be a cut to my budget from that. And there just isn't any new dollars, no new programs that approach to it. That's just a fact of life.

DAVID EISNER: Thank you.

GRETCHEN VANDERVEER: Thank you to Eric and Robin. And if we could have Idaho up to the table, please, and the delegation from Oregon down front. Kelly will speak first followed by Lynn and then Nina. You have three minutes each.

KELLY HOUSTON: Good afternoon. We are very, very pleased to be here and have the opportunity to speak today. And I am very fortunate to be joined by Nina Dillon, the program director for the Lewis-Clark Service Corps, and Lynn Cameron who is on our commission and a past commission chair. And I ask if we can reverse their order when we get to them. I would also ask if I could read a statement from Governor Kempthorne.

GRETCHEN VANDERVEER: That would be fine, Kelly, but the governor gets three minutes too.

KELLY HOUSTON: Actually, he only needs one; he's a really fast speaker.

GRETCHEN VANDERVEER: Wonderful.

KELLY HOUSTON: He says AmeriCorps members have provided invaluable service to Idaho during the past nine years. As a state we have leveraged over 1.2 million hours of service and provided professional development opportunities to nine hundred fifteen AmeriCorps members over that time. Throughout their service these committed individuals have done the work equivalent of sixty-two full time employees each year, directly benefiting countless families and children throughout our great state. This is the generation of the child for our state. Our AmeriCorps programs have done a good job allowing for flexibility to meet specific state and community needs. He goes on to say in a rural state like Idaho it is critical that the AmeriCorps programs are affordable to communities and administratively efficient across the board. Simply put, for rural communities to successfully participate in AmeriCorps, they need to be able to administer this program with a minimal number of employees, streamlined recording, and administrative efficiencies. See, he speaks really fast. So he also was very happy that we are here today to talk to you. So here are my thoughts.

GRETCHEN VANDERVEER: Thank you, Kelly.

KELLY HOUSTON: We do share many challenges with our Western states. And I think you have heard of a lot of those challenges. Idaho is designated as a small state in relation to administrative program development and training and the programmatic funding levels. To put things in perspective for our East Coast colleagues, while operating on the smallest financial allocation possible, the size of Idaho is equivalent to Vermont, New Hampshire, Massachusetts, Rhode Island, Connecticut, New York, and a good portion of Pennsylvania combined. We sound small in proportion to Alaska but we will just put it in East Coast terms. To drive from one end of the state to the other takes approximately 18 hours. And that's if the mountain passes are closed. So we do -- and each of our Western neighbors face similar geographic challenges which boost our costs greatly. We need to figure out how to level the playing field. And I think we all agree about that. Our expenses are driven up because of the difficulty we have with transportation, accessing training resources within the state, enrollment of part time members, which work well for us, and working with a very limited pool of potential donors. Perhaps a special formula allotment for small rural states based on a square mileage basis and taking into consideration the number of cross-stream national service members that come together can be included in a subsection of some of our grants, whether they be programmatic or in the program development and training grants. We just got done hosting our statewide conference. And costs are approximately \$800 per member -- and that's being conservative -- to provide preservice orientation and mid-service training to these individuals. Idaho's programs, like many of our Western states, our individual site placements -- and they are statewide -- and they require the majority of members to travel. While these costs are close to prohibitive, the training and team building is crucial, not to mention required. Frequently the formula allotment allocation system plays against small rural states. It is a significant challenge to identify agencies with a capacity to administer an AmeriCorps program. So when these agencies are identified and performing well, it is critical that we allow them sufficient time to grow and mature. This is a good use of our tax dollars. Please allow at least three year grant award periods for the competitive AmeriCorps grant programs and continue with the formula. An investment needs to be made in funding programs for an unlimited amount of time if they are successful and continue to address critical community needs. The reality is that the neediest of agencies and communities simply may never reach sustainability in the financial sense but they do build bridges in and across community boundaries and many times introduce new ways of thinking about community problem solving. And that is something that is sustainable within the communities. As this rulemaking process proceeds, please keep in mind that Idaho's top priorities remain to

be member development, delivery of services, and effective and efficient administration at all levels. Please call on us as we go through this process. You will get more detailed information in our written testimony. And I am going to hand this over to Nina Dillon. Nina is the program director for the Lewis-Clark Service Corps -- is a regional director, I should say. She comes with a strong business background and community building and is good to have on the team. Thank you.

NINA DILLON: Thank you, Kelly. And I would like to applaud the Corporation for taking the time to have this component of these public hearings. I really thank you because I know it's not a requirement in the rulemaking process. So thank you. My name is Nina Dillon, and I am the regional director of the Lewis-Clark Service Corps. And I am going to focus on a couple of things from a programmatic standpoint today -- the timing of the grant cycle and continuation applications. The Lewis-Clark Service Corps program resulted from merging of two successful education based programs in the state of Idaho. And we merged to better utilize administrative dollars in delivering literacy services to an enormous geographical area in Idaho. Currently fifty-three -- we have fifty-three Lewis-Clark Service Corps AmeriCorps members tutoring and mentoring at-risk students ranging in age from preschool to adult at forty-nine different host sites located in every region of our state. And the nature of those forty-nine sites is really varied. We have twenty-six Title 1 public schools, the high percentage of free and reduced lunches. We have nine community based organizations, eight higher education programs, four faith based organizations, three environmental programs, and three members in correctional institutions. To insure successful host sites, we have developed a selection process that includes notification of request for proposal, regional host site application workshops, and then a host site selection review panel. And from that panel sites are selected and notified. And then our program provides to those host sites recruitment assistance and regional host site supervisor and member training. This is all before we -- before the recruiting process is completed and we even get our members on board and provide them with their orientation training. This process has proven very successful for all parties involved, from the members briefing benefits, prepared and knowledgeable host sites to CNCS garnering identified and measurable outcome results. However, this process takes months to complete. And that's why I would like to address the timing of the grant cycle. Literacy programs such as our service corps comprise the largest percentage of AmeriCorps programs throughout the nation. And the start date of any given literacy program is the beginning of an academic year, approximately September 1. To successfully complete the host site preparation, selection, training, and member recruitment process for that September 1 program start date, we ask for a minimum of a four month lead time period no later than, say, May 1st. Grant approval and award notification basically should go hand in hand. I know they are two separate processes, but it would be nice to have it all about the same time. So, therefore, we request that programs receive initial or continuing grant application approval and award notification no less than four full months prior to the start date. And in addition I would like to just briefly speak to the issue of continuation applications. When an application is submitted, approved and awarded for a three year grant cycle, there is an enormous amount of effort put into developing relationships to insure selection of appropriate and successful host placement sites. Subsequently, the host sites have to go through their processes to get up to speed, so on and so forth. And we would like to be able to grant to them the likelihood of AmeriCorps members being there in the future. So to wrap it up, we really request that the three year grant cycles be approved and awarded for exactly as stated, a three year grant cycle, if not a five year grant cycle. So thank you.

GRETCHEN VANDERVEER: Thank you, Nina. Lynn?

LYNN CAMERON: My name is Lynn Cameron. I am a private businessman, a member of the Serve Idaho Commission, and a member of the ASC National Board. I would like to speak on two issues, one being the CNCS rulemaking as being an establishment of rural policy, and the second being helping rural states to support the three-fold focus of AmeriCorps programs. It's important to realize that 75 percent of the land area of the United States is rural in nature and home to 25 percent of the population of the country. The established rules may hinder or help rural states and communities. Responsible rulemaking will recognize this rural impact and be favorable to rural America. Maintain decentralized program planning and operation to maximize state and local identification of needs and the initiative and flexibility to meet them. Support flows to what is valued at the local level. And most human needs are best identified and met at the local level. Give the states a set of blank playing cards and assist them to create the faces on the cards according to state and local needs. And then play the AmeriCorps game within minimum necessary federal rules and maximum state and local control. That blank card that the states get is extremely important in the AmeriCorps programs, in my opinion. Secondly, keep AmeriCorps grants as free of federally mandated programs as possible. Third, define sustainability in terms that make sense in rural states and communities, for sustainability is much more than funding and more a matter of long term relationships, common vision and collaboration. I was 20 miles away from Moscow, Idaho, our county seat and our little 35,000 population county, and a man saw me, talked to me a month later and said, you know, when you were at that meeting, I thought you were just a fed. And he was put off, actually, 20 miles away. That happens 12 miles away in the city of Troy also. These relationships in these small communities are critical. We rely heavily on relationships with mayors. And I will give you one simple example. In 1999 we had a regional forum for America's Promise in Idaho. I met the mayor of Troy. He was in his 70s. He was gruff. And I thought, hum, mayor of Troy. I was invited as a promise fellow to attend on scholarship the Association of Idaho Cities State Conference. Took time to meet him, ate the barbecue with him, went to the theme park with him, rode the -- what's it called -- the roller coaster with him. And we found great commonality. It was easy for me to say to him if you provide some of the match, we will give you 25 percent of an AmeriCorps member's time to work in Troy. That's the kind of relationship that has developed. It took nearly six years to get to that point. So these are long term relationships. I will cover the rest in written comment. What I would encourage you to do is pay attention to rural America. You are making rural policy when you set these rules. Thank you.

GRETCHEN VANDERVEER: Thank you, Lynn, and thank you, Nina and Kelly. David and Rosie, questions for this group?

DAVID EISNER: Lynn, your statement, support flows to what is valued at the local level, can that be -- can I interpret that also to say that as an organization becomes more valued by the community that we can expect a higher level of local support?

LYNN CAMERON: I think so. And implicit in that comment that I made is that when the local area asks for help with a particular need and they get help with that need, they value the help, as opposed to Boise coming in and saying, here, do this, this is good for you. Or the feds coming in saying this is good.

DAVID EISNER: Can I ask another question? Carrying on from the discussion in Columbus where this came up a lot, we are beginning to hear folks say let this happen at the local level, let the state commissions manage some of this. Do you have a sense of -- and we would be really sympathetic to figuring out how to ask, for example, state

commissions to manage this for their own state. At the same time probably if we pursued that kind of -- that kind of a solution, we would also have to include some sort of federal definition of what it meant to meet that level. Do you have an idea or would you be willing to think in the future of what kinds of definitions we might think of at the national level that would sort of set brackets around what we are asking the states to do at the state and local level?

LYNN CAMERON: Be happy to work on that. I have the concern that if you open it up too far to state flexibility, you wind up with a program that is unmanageable. So I have some concerns about that. On the other hand, when I say give the states a blank card, within guideline, I think that can be done. I think you have to work with the commissions and train the commissions. I have some specific recommendations for commission training here.

DAVID EISNER: Well, I would love to consider this idea of giving them the blank card. I guess in order to consider it, we need to flesh out a little more what that might look like.

LYNN CAMERON: Thank you.

ROSIE MAUK: And on the same line and again I am guessing in a lot of your written testimony we are going to get some of this, so I just want to say that I am hoping that we will be able to in the same way flesh out what is this favorable to rural look like? I mean, we are hearing a lot of that. And we hear it and we can't help but not hear it. And so we would love to have some input from you all on other ways, as David was asking earlier, that it's looked at by other agencies, et cetera. And then I also am hoping that we will hear again maybe either in some more oral testimony or in your written testimony exactly what the three year continuations looks like. I mean, there has to be something in between year one and year four. And so we would love some input on what that would look like as we hope to streamline that process.

DAVID EISNER: I'm sorry, that reminds me. I think, Kelly, right? I'm sorry. Nina, getting to the calendar issue, it's going to be, first of all, I think it would require a change of statute to go over three.

NINA DILLON: Over three months?

DAVID EISNER: No, over three years. I think we are statutorily currently allowed to do up to three year grants. But I think in the context of rulemaking, we consider also what we would like to ask for statutorily. But would it be helpful to you if we were only able to do part of what you asked for? Let's say that part of the challenge of hitting that May date is that sometimes we got our budget so late. But if we were able to, say, two out of three years to hit the date, would that give you a lot more? And the way we might do that is by finding a way to do the continuation grants in a different model but still leave you hanging a little bit on the recompetes.

NINA DILLON: Yes, that definitely would help.

GRETCHEN VANDERVEER: Okay. I am just going to give us all a little reality check here. We have done eighteen speakers including Senator Murkowski from Alaska and the governor of Idaho. And we did that in an hour and a half. We have nineteen

speakers left and we have an hour to go; okay. So with all that is to say please stick to the three minute time limit, and we will ask for questions from David and Rosie. Thank you very much to Idaho. Oregon, we have only two speakers from Oregon? And I need the Washington delegation -- Bill, Esther, Jessica, and Barbara on deck. If you could come down front, please. And I am going to ask Patricia to go ahead and start.

PATRICIA BOLLIN: Thank you. My name is Patricia Bollin. I am the program officer for the Oregon Commission for Voluntary Action and Service, and I have been that for the last five years. Thank you very much for this opportunity to speak to you. Last year our state held an open competition for new AmeriCorps subgrantees. We spent a substantial amount of time and outreach effort attempting to attract viable organizations that might be interested in operating a program of ten or more members. Five informational sessions were held across the state and drew over ninety interested agencies.

Twenty-two of those ninety agencies eventually indicated an interest in submitting our concept paper, not the full application. However, we received only fourteen concept papers. In the end only eleven agencies moved from the concept paper to choosing to complete the full application, so that's from ninety down to eleven. Of these eleven, seven were already current programs, meaning that only four new agencies applied to operate a team of ten or more members in our state. Responses to our inquiries as to why so many left the process centered on cost and bureaucratic overload. And this was just the application. They had not even seen the eGrants or webbers. But another way to look at this is to realize that our existing programs that knew they had systems in place and had developed partnerships learned the maze of requirements and could finally operate the program with understanding. Many had become the state commission sustainable partners just for this reason. I am not promoting that we continue to fund the same agencies just because they understand AmeriCorps or the Corporation. But I must acknowledge that the level of member recruitment, retention, the number of the engaged members without complaints, the ability to measure progress within performance measures, the ability to guard against prohibited activities, all of these things increase in a positive manner when programs have operated for at least a third year, past a third year. New programs require much more oversight and monitoring. They spend a great deal of time struggling to get started, designating efficient systems and attempting to earn a reputation within the state. We risk discouraging experienced programs through increasingly higher level of match which head toward a zero point. A constant flux of new programming destabilizes AmeriCorps and wastes public funds through inefficiencies. Doesn't the Corporation have a responsibility to provide sustainability to programs in return through assurances that funding will not tip past a balance point that recognizes both efficiencies and partnerships of experienced programs and the ongoing need for sponsoring organizations to be supported through public funds? A clear realistic set of match expectations combined with trust in the state commissions to monitor and evaluate local programs would allow the creation of a balance of efficient and creative programming. Right now the Corporation provides AmeriCorps state programs with 12,400 per member statewide. Of that 12,400 over 10,300 ends up covering the Corporation's share, 85 percent share of member living allowance, health care, FICA, and worker's compensation. That leaves an organization with 2,300 per member to provide training, travel, program oversight, evaluation, and administrative costs. To bring the cost per member any closer to the mandated living allowance will definitely tip the balance and become a determining influence both on the kinds of programs that we fund, that vie for funding, but also the size and design of those programs. I am passionate about AmeriCorps because of the opportunity it provides citizens to serve their country, to

become engaged through training and service. So when I read language that suggests, quote, limiting the years that recipients may receive assistance to carry out a project, I think but the project begins anew every year with the next team of members, because for me AmeriCorps is the opportunity to engage citizens and communities, and this project does not have an end. It is not a project in the sense that it gets carried out unless it reaches a finished point because each year there is a fresh project team of new members. We know that citizen participation in this country needs all the help it can get, and we are a long way from completion here. And if we define AmeriCorps in this manner, then we recognize that limiting the years of assistance serves no real purpose. That the language should read, successful programs which engage citizens in service and provide solid civic engagement, training and experience will be assured of assistance in maintaining opportunities for citizens to serve. My basic recommendations would read, define sustainability fully, include recognition of balance points, acknowledge the responsibility of the Corporation to assure that it can be counted on in the sustainable equation as a partner. Allow programs to show levels of overmatch in the same manner as senior corps programs where it is marked as excess match so that Congress can begin to recognize the levels of in-kind support that communities are willing to provide and to prove their projects are generating sufficient community support. Keep the distinct characteristics of AmeriCorps by acknowledging the importance of members and their development as central to the reason for national service programming, and revise the application process so it does not become a barrier. Utilize state commissions to provide the necessary oversight in determining continuation funding within a three year cycle.

GRETCHEN VANDERVEER: Thank you, Patricia.

KIM CROSSMAN: Hi. My name is Kim Crossman. I am the executive director of Northwest Service Academy, a national direct AmeriCorps program that serves Oregon, Washington, and just recently Alaska. I just want to speak briefly to the issue of sustainability. Northwest Service Academy is able to serve hundreds of schools and agencies in the Northwest as an intermediary. These are agencies and schools that would otherwise not have access to AmeriCorps. If we are able to consider sustainability at the placement site level, Northwest Service Academy will be able to continue to offer the services of AmeriCorps to more schools and agencies. In the coming year Northwest Service Academy will expand services to Alaska and perhaps Idaho, two states that are currently not benefitting from AmeriCorps at the same level of other states in the Northwest. If organizations that serve as intermediaries for AmeriCorps are able to consider sustainability at the site level, I believe they will be able to look at areas -- they will be able to look at areas that are underserved by AmeriCorps and work to fill those gaps. I think that Montana touched on this issue also that if we are able to look at sustainability at the site level and bring those organizations that are benefitting from AmeriCorps to a place where those services can continue beyond that member's placement, that we can move on to serving other schools and agencies that aren't benefitting from AmeriCorps. If we are forced to look at sustainability at an organizational level rather than at a site level, those schools and agencies will not have the opportunity to benefit from AmeriCorps. Thank you.

GRETCHEN VANDERVEER: Thank you, Kim. Questions for Patricia and Kim?

DAVID EISNER: A quick question for Patricia. You said that we are risking discouraging grantees with increasing levels of match that are heading to zero. Is the discouraging the fact that ultimately it's heading to zero or is the discouragement that we are asking

for increased match? What I am saying is let's say hypothetically that we weren't talking about sunset but we were talking about over a period of, say, twelve years getting to a different percent than we start off with. Is the thing that's discouraging the fact that it's a trend line or is the thing discouraging the fact that basically at the end you end up with zero?

PATRICIA BOLLIN: I would say the sunset issue.

DAVID EISNER: It's the sunset issue. Thank you.

GRETCHEN VANDERVEER: Okay. Thank you very much to Oregon. Now we have Washington. Bill and Esther, Jessica and Barbara, could please come up to the table? And on deck I would like Nancy Pringle, Troy Luginbill, and Glenn Puckett. I believe the order is, Bill, you are first followed by Esther, Jessica, and Barbara. Three minutes each, please.

DAVID EISNER: Just a quick note. We wouldn't have been able to do this meeting without Bill, and we are extremely grateful for his help not only in this meeting but in helping orchestrate our time here in Seattle. So thank you.

BILL BASL: Thank you. For the record three minutes was not my idea. Thank you all, David and the Corporation staff and national service family. On behalf of Governor Gary Locke we would like to welcome all of you here today. Washington state has had a long history in support of national service. It goes back to the 1930s and before. But less than one hour's drive from here, we can see the contributions of the Civilian Conservation Corps, projects that we still use, projects that we still marvel at. But the most important thing is that those who contributed still look at those with an element of pride. Our state has been a strong supporter of service. A full ten years before AmeriCorps began, the state legislature invested in national service. It provided some of the leadership to support what we call now AmeriCorps. It helped provide some of the funding that started the Washington Conservation Corps and the Washington Service Corps. And it continues to provide a high level of match in a state that is continually in the phase of a recession, depression, or whatever we call the economic stage that we are in right now that requires the State General Fund and the discretionary funding that we have to get less and less. We have all heard about the financial challenges, but I wanted to spend most of my time to talk about a couple of issues that I think can get us further down the road, specifically around sustainability. I think part of the topic, part of the conversation should be about developing an ethic of service where AmeriCorps is a key part about contributing to nation. The governor strongly believes that everyone who lives in this country should serve in either national military service or national civilian service. He has said it on a number of occasions. He believes that giving back to this country is vital. And I think one way we can elevate the importance of this is to look at a way we can look at national service as a national calling much like the Peace Corps, much like the military. I think if we can elevate this to a national calling, hopefully we can get away from some of the squabbling that is going on right now about who gets funding and who doesn't. It should be about how do we expand national service. In the long term I think that's the way to go in order to get more and more buy-in, both political and economic. I realize it's a long term solution. Secondly, I think that we have a lot of cost share and a lot of support that we generate that we don't value. There is a lot of effort -- and we heard it just from our previous speakers -- of in-kind, of product, of input that we don't even book. I think it's important and I would recommend and I would sincerely like to work on a process where we go out and

systematically identify the tremendous value in terms of in-kind volunteer time, funding and support that we collect but we do not report. I think it would be instructive to Congress to see what national service currently leverages but we fail to report. We have a lot of important contributors, sponsors, investors that need to be brought into the system. And I think if we are able to show in a logical way, in a way that is backed up with real facts and real data that we will get more and more partners from a political perspective to support national service. Thank you.

GRETCHEN VANDERVEER: Thank you, Bill. Esther? ESTHER HUEY: Thank you and good afternoon, Mr. Eisner and the other panelists. My name is Esther Huey. I live in Yakima, Washington, some 150 miles east of here on the other side of the Cascades. I see AmeriCorps as a means by which we can bring people together. In Yakima that's exactly what we did. It enabled people of all backgrounds to come together and serve together and begin to care about each other. I am here today to address the rulemaking issues of sustainability, federal share, and time limits on programs. Before my retirement three years ago, I enjoyed a career in banking, and I had also the great honor of serving for twenty years as the executive director of the Yakima County Substance Abuse Coalition. Due to a limited manufacturing base, this region continually ranks as an area with persistent unemployment rates. Today's Washington unemployment rate is 6.5 percent, close to one percentage point higher than the average rate in this country. For Yakima, however, we have averaged over a 13 percent unemployment rate. We have the highest rate for a major labor market in the state. In the two neighboring middle and elementary schools served by our members, 89 percent of the students attending these schools are on the free and reduced lunch program. We have the highest percent in the state of adults on welfare. We have major social and economic problems to address. From 1993 until 2001 we partnered with the Washington State Service Corps and AmeriCorps to provide a number of innovative programs at the Southeast Yakima Community Center. Our programs served youth from families in poverty, and they were mostly Hispanic and African-American youth. The Washington Service Corps served as an intermediary organization between the Corporation and the coalition. They provide a number of services from the state level which enable us at the local level to focus on delivering the services to the community. Indeed we couldn't focus on that if it were not for those intermediary services. Sustainability, federal share, and program time limits. A program like ours need an intermediary organization because, first, they have access to state funds for paying the 15 percent of member living allowances and benefits. Second, they provide the payroll system, which relieves us as a local agency from a huge administrative burden. Third, they provide highly trained and technically competent staff to provide us with technical assistance and assist us with a myriad of details involved in operating a federal program. This allows our supervisors to focus their efforts and primary energies on working with the AmeriCorps members, assuring that they have a quality service experience. Fourth, they provide training and experiences for our members, linking them with members from all across the state of Washington, a very important program element which helped AmeriCorps members know they were not alone but part of a much larger statewide and national movement. Fifth, more than half of their resources are focused on the rural parts of the state, putting AmeriCorps into communities which would never have the resources to mount an AmeriCorps program. Sixth, it doesn't make sense really to impose time limits on intermediary organizations who have the infrastructure already built for the last ten years of federal funding. They can efficiently help small communities like ours and faith based organizations. Continuing pressure to lower the cost per member in AmeriCorps which in reality meant to increase the cash match from local funds strained our nonfederal funds beyond their boundary. In spite of these challenges, people in these situations for the most part want to do better for themselves

and their children. I will give the rest of it to you in testimony. But thank you for the opportunity -- in writing, but thank you for the opportunity.

GRETCHEN VANDERVEER: Thank you, Esther. Appreciate that. Thank you very much. Okay. Jessica?

JESSICA VAVRUS: Good afternoon. I am Jessica Vavrus, and I represent the Washington State Education Agency, the Office of Superintendent of Public Instruction as the state director for the Washington Reading Corps. OSPI receives funds from the state legislature as part of our education reform movement to provide grants to elementary schools for supporting tutoring interventions for struggling readers. We've received state funds since 1997 and since that time have worked in partnership with the Washington Commission for National and Community Service and the Washington Service Corps to integrate national service members into Washington Reading Corps schools. Today I will be addressing the proposed qualifications for tutors that the Corporation is currently considering. For the past three years Washington state has made sure that all state reading programs including the Washington Reading Corps are in alignment with the National Reading Panel and No Child Left Behind requirements. OSPI requires that schools applying for grants implement scientifically based approaches to reading and reading tutoring as well as to provide initial and ongoing training to all tutors including national service members on these approaches. I believe that if the Corporation modifies qualification requirements for tutors serving in school based programs, it would be highly detrimental to the future of the Washington Reading Corps and to other programs seeking to involve community volunteers and national service members as tutors in schools for the following three reasons. First, stricter tutor educational requirements could cause the Washington Reading Corps and similar programs to lose two-thirds or more of its volunteer base and possibly 50 percent of AmeriCorps members serving in schools. This is equivalent to a total loss of over \$3 million annually in social capital supporting struggling readers. Second, requiring tutors to have similar qualifications as paid paraprofessionals could cause unpaid volunteers to supplant paraprofessional positions and become a detrimental issue with teacher unions. Finally, by imposing additional tutor qualification requirements, the number of volunteers and national service members supporting programs will drastically decrease and have a severe impact on the ability of school based programs to provide quality services. In addition, as part of the Title 1, No Child Left Behind legislation, Section 1118 discusses parental involvement and its importance in supporting the academic achievement of students outside of school but also during the school day within the school buildings. The section outlines expectations for schools to identify barriers to parent involvement and to develop plans for overcoming these barriers. Parents are one of the largest group of community volunteers tutors. To instill strict requirements for their qualifications prior to becoming tutors would severely limit this important pool of tutors and become a large barrier to the level of parent and community involvement in schools. This type of action would be counter to the spirit of parent involvement that No Child Left Behind advocates. In closing I urge you to help build on the strengths of the Washington Reading Corps and other high quality tutoring programs rather than create barriers to our collective success. I look forward to working with you as this issue continues to evolve. And Barb will offer some of the answers -- some proposals to the answers of your questions. Thank you.

GRETCHEN VANDERVEER: Jessica, thank you. Barbara?

BARBARA NEILSON: Thank you. And thank you for having us here today. My name is Barbara Neilson. I am the principal of Kimball Elementary in Seattle. And I have been a Washington Reading Corps principal for since its inception in 1997 -- I had '6, but who's counting. So it's my second school where the Washington Reading Corps has existed. I am going to speak specifically to the qualifications, and I won't read your questions, and that will save time. The application and interview process that we do is done in conjunction with the Fremont Public Association and has been very successful in prescreening applicants. We work closely to find members who express an interest in working with children, have some related experience, and perhaps and maybe even more importantly express a desire to become teachers. A certificated site supervisor provides coordination at the school site, and members work closely with students, classroom teachers to learn and provide necessary instruction. Teachers provide materials, and members work with the school librarian even to find additional resources. Members quickly build very important relationships -- and this is critical -- with their students, and provide consistent, usually daily instruction and intervention. Certificated teachers provide tutor training for members, and tutors who are recruited from Kimball's parent group, local high schools, and also come from community organizations. Examples would be training in the use of a program that has been designated as a good program, and that would be Read Naturally. And also working with students to learn multiple decoding and questioning strategies to increase fluency and comprehension. So how can we insure that programs have reasonable and measurable outcomes? Already OSPI has provided direction and pre and post-assessment for us. Members assist in monitoring student growth using classroom based assessments, curriculum based checklists, inventories, and other measures that they get directly from the classroom teacher. District-wide assessment expectations provide yearly measures of student growth. Administration of all of the above is under the direction of certificated teachers, principals, including the certificated site coordinator. I also just as a side pc the AmeriCorps Washington Reading Corps as an excellent training and recruiting ground for potential teachers. Many, as you have already heard, we have many examples of AmeriCorps members who have seen the light and decided to become teachers and will be good ones. And universities are requiring that these potential teachers have a certain number of hours of contact with children, and their experience through AmeriCorps more than qualifies for that.

GRETCHEN VANDERVEER: Thank you.

BARBARA NEILSON: Oh, I get more money because I did it before the red light; right?

GRETCHEN VANDERVEER: Maybe another cookie. There's some really good cookies over there. How will that do?

DAVID EISNER: We will pay you twice as much as the others.

GRETCHEN VANDERVEER: Okay. If I could look at David and Rosie and say if you've got to ask a question, ask it, but otherwise I would really love to get to some of the people who signed up here today. We just got through all of the people that presigned up.

DAVID EISNER: A very fast question for Bill. On the leverage of the information that we collect but don't report, it's really interesting. Do you think that's something that are you suggesting that that's something that you and the commissions and the grantees do

or are you suggesting that the Corporation should be asking that question and that the commissions and grantees deliver it?

BILL BASL: I think we should think about it first and do it together because I think there is a value in trying to identify together what we are looking for, but I think we need to roll up our sleeves and help get it.

DAVID EISNER: Thank you.

GRETCHEN VANDERVEER: Thank you very much to everybody who spoke from the Washington delegation. Okay. I have Nancy, Troy, and Glenn up at the table, please. On deck I would like Sunny Moroles, Kelly Phanco, and Jeri Lerwick. All right. Go ahead, Nancy.

NANCY PRINGLE: My name is Nancy Pringle. I am honored and privileged to hold the position of the director of the Washington Service Corps. I am here today to address the following rulemaking issues -- federal share, sustainability, time limits, and selection criteria. As Bill Basl has mentioned, we are an organization in the state that have been lucky to have had the legislative support through about \$1 million for a number of years now. Certainly through the ten years of AmeriCorps, we've been funded through AmeriCorps we have received state funds to pay our cash match. Of course, it doesn't cover all of our cash match. That funding has been level for a number of years and we don't anticipate it going up. So cash match does have to come from other areas. But we are very lucky. That's gone through bipartisan support in the legislature and bipartisan support of a variety of governors. We just celebrated our twentieth anniversary. And the state -- as I said, the state's share of our program remains at the same level. And although the one million has not grown, many other state programs funded through similar discretionary funds have been reduced or eliminated. As a state regulatory agency, private funds are generally not available to us as a state agency. And the instance with Vicki Harper from State Farm, that really is an anomaly. That's one of the first amounts of state funding we've had to help us with our cash match. We cannot expect to receive additional cash match assistance. And I would like to go off from my prepared statements for right now and state a couple of things. One, David, I heard you ask the question about if you can pay five, why can't you pay six. And that's a good question. I would anticipate that you would ask me that same question -- what kinds of -- what are we getting from -- what are we asking agencies for whom we are an intermediary. And I would say that, yes, that there is a discrepancy across the state and across the country with the amount of cash match that programs like ours are asking local agencies. And, yes, we probably can ask for a little bit more here and there. But I would submit to you that just on an informal basis talking with my peers around the country that those agencies that are willing to pay more cash match are also looking for the kind of member that is not the member that needs AmeriCorps the most. They are looking for someone with a college degree. Those are the kinds of agencies that are willing to pay more cash match. Sustainability. We are in an intermediary organization. We support and incubate national service projects. We seek out partners in regular competition, regular competition to meet needs which are identified locally and met locally. Identified locally and met locally. Over the past ten years of Corporation funding we have provided fiscal, regulatory, overhead structure for over 1,400 projects delivered by 1,443 local agencies across the state. And I think the last comment that I would like to make around selection criteria, we don't receive state or other formula based funds. I encourage you as a corporation to let the market decide who should be funded. Rather than establish an arbitrary time limitation, fund programs

based upon a competitive model. Make decisions based on quality, based on performance, based on accountability. We are not afraid to compete for continuation of our program based on the quality of the services we provide. You have made a business investment in us. We are an efficient, effective intermediary organization whose infrastructure would be lost to the hundreds of small fledgling agencies across the state who count on us to bring national service to rural and low income communities. Thank you.

GRETCHEN VANDERVEER: Thank you, Nancy. Troy, you are next, I think.

TROY LUGINBILL: Mr. Eisner and the panel members, my name is Troy Luginbill. I am the director and a curator of the Lynden Pioneer Museum in Lynden, Washington. Lynden is a pioneer agricultural community rich in history, rich in tradition, and because of our location just one mile from the Canadian border, rich in knowing what it means to be an American. Today I am here to raise my voice for what has become an important part of America for many organizations like mine. I am here to support AmeriCorps as in the manner in which the Washington Service Corps helps us make AmeriCorps as a vital part of our small communities. I plan to address the rulemaking question of sustainability, time limits, and the cost per member. Mine is a small museum, not unlike many museums and other nonprofits around the state. We do not have the financial resources to sponsor a team of twenty or more AmeriCorps members in Lynden. Frankly, we don't have the service work for twenty or more people, period. But there is plenty to do for one or two in my museum and other rural and small organizations. Since AmeriCorps has come into being in 1994, the Washington State Service Corps has built on its modest beginnings, has engaged predominantly young people in over 1,400 community service projects with over 443 different agencies. Over 80 percent of these partners in service are providing needed service to the communities using AmeriCorps members and single person placements. Any proposal to limit the number of years a program can receive federal funding will lead to a downward spiral for small organizations such as our museum. We need a well functioning program with a strong infrastructure to help us succeed. Why would you limit an efficient program towards which you had been investing growth in funding and technical assistance? It just simply does not make good sense either business or otherwise. The Washington Service Corps plays an important intermediary role serving as the voice and agent for hundreds of small community groups by which themselves would never be able to avail themselves of the AmeriCorps programs. The WSC is truly an added value component to the national service network. It provides an infrastructure for such things as payrolls and benefits. Provides training for helping our volunteers to succeed. It provides an identity for our volunteers to be part of the AmeriCorps national service program, and the Washington State Service Corps established the standards so that small agencies can be accountable. In listening to the needs of the small communities in bringing together many small organizations and serving as a quality control point for national service, the Washington State Service Corps uses state resources to bring federal programs to bear on locally identified programs. Without intermediary organizations like Washington State Service Corps, small organizations in rural areas of this great country of ours would be left out of the AmeriCorps program. Another area of concern to small and rural agencies like my own is the continuing pressure to drive down the average cost per member. If this continues, I can only see a future for AmeriCorps in which it has become a playground for the middle class funded by urban foundations. Left out would be the rural areas which have no local funds to raise. Left out are the rural poor and the middle class would not have the community based support of the cities. I thank you for your time and consideration. Been a great honor to be part of all of this.

GRETCHEN VANDERVEER: Thank you very much, Troy. Glenn, your turn.

GLENN PUCKETT: Good afternoon. My name is Glenn Puckett, and I am the director of the Volunteer Resources Department at the Fremont Public Association. And we very much appreciate this opportunity to relate our concerns with respect to the AmeriCorps rulemaking process. The Fremont Public Association is an anti-poverty community based agency whose mission is working towards adjusting caring community free from poverty, prejudice, and neglect. Toward that end we are a multi-site intermediary for 150 national service members annually in King County including almost 100 AmeriCorps members between our Washington Reading Corps programs and our Just Serve AmeriCorps programs. More than forty schools and sixty nonprofit and faith based community organizations are able to utilize AmeriCorps members as a result of this intermediary role played by the Fremont Public Association. We have enjoyed a very successful partnership with the Corporation for National and Community Service since 1987 when we developed one of the first cost share VISTA programs with the Federal Action Agency. Since then the program has been so successful that it's actually gone from twelve to thirty VISTA projects over the past seventeen years. In the meantime we've added the Washington Reading Corps program, the Just Serve AmeriCorps program, a service learning program, and the retired and senior volunteer program. Our national service programs exemplified the great potential this resource has to offer our communities by combining federal resources with local know-how. The FPA provides the Corporation with a stable community partner with local expertise in community development, financial solvency, oversight, and the ability to meet governmental requirements. We provide this role at a significant cost to our agency every year. AmeriCorps does not nearly compensate our organization for the cost of hosting AmeriCorps programs, for example, the indirect rate provided by Senior Corps and VISTA. However, despite the fact that it costs us money every year to run AmeriCorps programs, we do it because it generates a spirit of civic engagement, fosters community leadership, and has a direct impact in our communities. There is nothing else like it. Fremont Public Association is not going anywhere regardless of whether we continue to support AmeriCorps programs. Our core services consist of twenty-nine separate programs serving tens of thousands of low income people in King County. However, if the FPA does not continue to play this intermediary role, many smaller community based organizations will not be able to utilize the AmeriCorps experience because it's simply too expensive and unpredictable. For example, the recent last minute reduction in the member cost reimbursement in conjunction with the increased required stipend forced us to suddenly reduce the number of AmeriCorps members in our programs and increase the cost share requirement. We saw an immediate impact. There were immediately small organizations who were not able to afford the increased cost share and could not access the AmeriCorps resources as a result. This will simply get worse if the federal share of AmeriCorps costs continues to diminish. The Fremont Public Association is a leader and innovator when it comes to national service programs. We have been very successful at cultivating public and private cost share projects in this community leveraging federal funds with state, county, and city funds as well as private fund-raising, but we have absolutely reached the limits of what is possible in the current environment. The keys that we think will endanger our ability to support AmeriCorps programs if they are not addressed with care and an eye for true, long term sustainability, one is the arbitrary time limit proposed on the number of years an agency can host AmeriCorps programs. In our case what does this accomplish? What does the Corporation gain when there is no other agency with the capacity to step in? Countless programs would be unable to access the AmeriCorps resource if the FPA did not provide the administrative capacity to support them. Two, the federal share of costs for supporting members. Reducing this amount further will immediately jeopardize our

ability to host future AmeriCorps programs. We've already maximized the available local resources, both public and private, and leveraged federal AmeriCorps resources as far as we can. Despite this fact we still have a large number of small organizations who cannot afford the current cost share requirements. And these are often the most creative and innovative organizations, and they are the ones being cut out. I could talk a lot more about sustainability but I think a lot of my colleagues here have done that already.

GRETCHEN VANDERVEER: And you are pushing four minutes, Glenn.

GLENN PUCKETT: Okay. I'm sorry. I'm just having so much fun. My bottom line is please do not contribute to the ongoing trend of governmentalizing the nonprofit sector in response to legislative distrust of practitioners.

These are wonderful nonprofits and faith based community organizations that fill an essential void in struggling communities with much more competent and creative solutions than government is able to provide. AmeriCorps should be supporting such organizations that understand their communities' needs, not forcing them into behaviors and activities that are neither useful or productive. And I will close there. We will submit written comments. Thanks.

GRETCHEN VANDERVEER: Okay. Is there anything you need to know from these panelists?

DAVID EISNER: I know we are over time. I just have to respond to the last comment. I don't think -- maybe in some places there is a distrust factor. I think that a much bigger question that we have got here is in an environment where we are saying -- maybe I will make this a direct question. In an environment where we are going to be saying no four times for every five requests we get for assistance, should we be sort of picking winners and continuing to make them stronger and stronger or should we be figuring out a way to enable newer folks who have not yet had the opportunity to benefit from these resources to have those resources?

GLENN PUCKETT: Well, I agree with what you are saying entirely. In fact, with the way we administer programs and do our site selection process, we do have a time limit on the number of years that a project can continue with our AmeriCorps resources before they have to re-apply.

DAVID EISNER: But do you think it would be irrational for us to?

GLENN PUCKETT: No, I think you have to distinguish between the actual sites that are hosting a member and intermediaries that play that support function, who handle the payroll.

DAVID EISNER: So if we didn't -- so you are saying is as long as we don't do it to intermediaries, you think it's a logical approach?

GLENN PUCKETT: I think the spirit of where that approach is coming from makes sense when you are talking about on the ground level because AmeriCorps members cannot continue to be treated like staff people on an indefinite basis. But I think you lose significant value in this model if you cut out the intermediaries who have developed expertise and capacity over the last ten years.

DAVID EISNER: Thank you.

GRETCHEN VANDERVEER: Thank you. I am just going to take a show of hands. I have got six names left, and I want to see if all six of them are here. Sunny? Okay. Kelly? Okay. Jeri Lerwick?

AUDIENCE MEMBER: Not speaking.

GRETCHEN VANDERVEER: Thank you. Marcie Sample? Lisa Chick? And is it Reuven Carlyle? Okay. So we have five speakers left. Can we have all -- can we get -- see if we can get through the people who presigned up first, and then if we have any time, I will try and honor your request but I cannot give you any guarantees at this point. Could I have the five speakers who did presign up come up to here to the table, because these are the folks who did presign up. I would like to get through this list before 4 o'clock. Sunny, you are first.

SUNNY MORELES: Thank you. My name is Sunny Moreles. I am Washington Reading Corps site supervisor at Sanislo Elementary School in West Seattle. We are a Seattle public school. And I would like to tell you a story. I would like to tell you the story of Kalil (phonetic) who came to us as a first grader with very sporadic school attendance in kindergarten. He was two plus years behind all his classmates. Very immature. Poor classroom behavior. No ability to sit still. And into his life came Mike, a member who was serving at our school last year, who approached Kalil with very creative ideas. We use a scripted tutoring program called Sound Partners. And Mike took Sound Partners and adapted it for Kalil. He used very creative ideas in working with the student. He had no background in education. His professional background was in radio. And through the year Kalil changed. If you met him today, you would see he is not the same child. He is happy. He is cooperative. He is eager to learn. He is reading at standard. And this program changed his life. This program is changing the lives of many of our students. We have gone from a situation when we began with Washington Reading Corps in '97/'98 school year, 24 percent of our students were passing the WASL test, the Washington Assessment of Student Learning. In 2002/2003, 79 percent of our students passed that examination. So it's made a terrific difference. We have had outstanding members the entire length of the time we have been involved, many who have had no prior experience. So just in terms of thinking about the proposed requirement, paraprofessional requirement for members, we would just say absolutely not. You know, our diverse student population requires a diverse pool of members. It really truly does. Many of these members have gone on to pursue careers in education. And just the rest of my comments echo what Barb Neilson had to say. This really is not a matter of external rules; rather it's of internal integrity of schools and the programs they choose to work with. Thank you very much. Thank you for all the Kalils.

GRETCHEN VANDERVEER: Thank you, Sunny. The next person was Kelly.

KELLY PHANCO: Thank you very much. I am Kelly Phanco, the executive director of Intergenerational Innovations. We are a small nonprofit here in King County. Our organization connects children and seniors. We change lives two people at a time. And I want to thank you for the opportunity to engage in this rulemaking process. Intergenerational Innovations fields a team of ten AmeriCorps members, and they are made available to us through the Washington Service Corps. Our AmeriCorps members recruit five thousand volunteers a year, most of whom are children and elders in service to each other and to the community. We operate a tutoring and mentoring program, a

service learning program, and also a technology program that connects children and elders at a distance from each other. We have a small staff, just 2.8 FTE. And I would like to speak on behalf of our AmeriCorps team, our staff, and our community, board of directors, and just say thank you very much for the support that we have received through time. We truly appreciate it. In addition, we owe a debt of gratitude to the Washington Service Corps who as an intermediary organization has made it possible for our small organization to participate in the AmeriCorps program. We are driven by a grassroots effort, so the ramp up that the Washington Service Corps has given us has been truly valuable. And I have the following comments to make regarding creating sustainable programs. Programs are sustainable only if they are quality programs. Quality programs require quality infrastructure. And I call upon the Corporation for National Community Service to demonstrate continued commitment to providing stability to programs that are positively impacting the community. I have heard many delegations speak from rural areas regarding the philanthropic divide. And I am here to say that as a person that does some degree of fund development in the Seattle area, it's a very generous area, yet funds to support infrastructure are becoming very, very much more difficult to come by. And at the same time no program funds are available to -- no funding is available to programs that are not well run. So we are in a terrible bind. And I wanted you to be aware of that. It's a very painful and a very time consuming catch-22. And as a result, energy that could be dedicated to program, could be dedicated to recruiting and training more volunteers is spent resolving this conflict that seems to be inherent in the funding structures that we are working with. I call upon the Corporation for National Community Service to demonstrate leadership by continuing to support the infrastructure of programs that are making America safer and stronger at the very roots of our social structures.

GRETCHEN VANDERVEER: Thank you, Kelly. Marcie?

MARCIE SAMPLE: Hello. I am Marcie Sample, program director at Community Youth Services in Olympia, Washington. I am director of two programs currently, the Washington Reading Corps for a six county area and a state readiness to learn program. Until July I was also program director of AmeriCorps Youth in Service program. For nine years CYS operated the Youth in Service program using a competitive RFP process that invited partnerships with schools and social service agencies in four rural counties in Washington. And sponsor agencies stayed with us for an average of four years. I would like to address the topic of sustainability, a popular one today. And I have some definitions that I would like you to consider including in your overall definition for sustainability. I would like to suggest that it is the AmeriCorps member that served in Turning Point Domestic Violence services in rural Mason County who was able to recruit one hundred forty community volunteers during her eleven months of service. I would like you to consider that it's the 2,400 other volunteers that are AmeriCorps members recruited to serve schools and social service agencies. I believe it's also the two hundred community volunteers who participated in our AmeriCorps sponsored Thurston County Martin Luther King Day service projects every year. I believe it's the 8,000 elementary age children who learn that they could make a difference in their community because of the AmeriCorps member led service projects. I think it includes the forty-two 18- to 25-year old youth and service members who develop communication, leadership, conflict resolution, and project planning skills and will continue to be powerful service leaders in their communities. I believe it's the nine AmeriCorps members who have been my staff members in the last two and a half years who have shared their skills, strengths, experiences with the current AmeriCorps members that they supervise, mentor, and support. I also think it's the 5,000 school children who learn to resolve conflict peacefully from the AmeriCorps members who

have facilitated social skill building activities. I would like you to consider that there are two layers to sustainability. One is the sustainability of community of services, AmeriCorps program. The other is the sustainability of the community programs and activities that we can support through AmeriCorps funding. Those programs are continuing. They are growing. Our sponsors change every year. The sites that we select change every year. And they are building sustainability plans that will continue beyond AmeriCorps funding. Thank you.

GRETCHEN VANDERVEER: Great. Thank you, Marcie. Lisa?

DAVID EISNER: I'm sorry. Just when you say those sites and programs are changing every year, you mean that they only have one year and then they move on or do you mean that you are adding new ones?

MARCIE SAMPLE: No, we are adding new ones always, yes. So overall all our pool changes every year.

DAVID EISNER: Thank you.

LISA CHICK: Good afternoon. Thank you so much for giving me the opportunity to address you this afternoon. My name is Lisa Chuck, and for the last four years I've served as the executive director of City Year Seattle, King County. Part of that I served in a variety of positions at City Year San Jose, Silicon Valley, ran a small nonprofit that was a partner for AmeriCorps members, and taught English and history in California public schools. So I have a long history in the field of national service and education. I've spent most of my professional career there, and I have a vested interest in making sure that AmeriCorps is as effective and efficient as possible.

I want to thank you all for coming to the state of Washington and for taking the time to hear our voices on these issues. I believe two of the categories of questions that the Corporation has suggested addressing are interrelated. And these are sustainability and performance measures and evaluation. In my role as service director at City Year San Jose, Silicon Valley, I learned the challenges of gathering meaningful data to evaluate program strengths and weaknesses. And in my role here as executive director, I've seen just how important having strong and accurate data is, whether in insuring consistent funding or in insuring a strong and sustainable program. I have included in my written testimony some examples of data that City Year Seattle, King County collected over the course of the 2002/2003 service year. This data has helped us to show our impact to funders. It has helped us to identify which of our programs were strongest or weakest and in which ways -- and in which ways how to resolve those issues. And in the face of the AmeriCorps cuts last year, it helped us to decide to make the very difficult decisions about which of our strong programs to cut. It helps Corps members understand where they are succeeding and where they need to put more effort, and it demonstrates to our service partners what benefit we really offer to them.

When considering how to select programs to fund or whether to continue funding specific programs, I believe the most salient question should be how can the Corporation be assured that a program is accomplishing what it set out to do. Whether a program has been funding for one year or four isn't necessarily relevant to program strength. We found that the longer we serve with a specific partner, the better our outcomes are with the young people we serve. Whether a program is new or old in the field doesn't imply anything about its capacity to manage members, deliver great service results, recruit

and maintain volunteers, or meet the most important needs of the community. What matters is our ability to get things done. And the best way to be sure a program is getting things done is creating strong systems of measurement and evaluation. At City Year we welcome being held accountable to relevant and high standards of performance. That accountability strengthens our capacity to deliver a quality program. In the business world investors put their money on those companies that deliver the best results and that over time have proven their capacity to produce those results. Investments are not made based on how new a company might be, and investments are continued, not withdrawn if a company continues to show its capacity to perform over time. If the Corporation for National and Community Service really does want to improve how effective and efficient it can be in the designation of funds, it makes sense to invest in those AmeriCorps programs which have shown a quantitative and qualitative, demonstrable and consistent track record. There are dozens of programs across the country and here in Washington state that have done just that. I would also advise the Corporation for National and Community Service to continue to invest in trainings and resources for AmeriCorps programs to build capacity and evaluation measurement. Fantastic resources have been made available to us in the past through the Corporation, and this makes an enormous difference to our ability to measure results. And I hope as the Corporation forms the regulations governing AmeriCorps dollars that program strength will be defined by quality, not by time.

GRETCHEN VANDERVEER: Great. Thank you. David and Rosie, any questions for the four speakers that we just heard?

DAVID EISNER: I have one. Isn't it true that City Year also demonstrates one of its most important outcomes is the strength of its community support and that generally year after year a strong city year engages deeper levels of community support from community businesses, community leadership, and so forth? And in general isn't it true that the ability of a City Year to provide higher matching funds goes up the longer it's in a community?

LISA SAMPLE: I don't think that's necessarily true. It really varies community by community and varies dependent on the different cities that we are located in.

DAVID EISNER: Would you say it's true that City Years that -- do you agree that the level of support from the community is a fair measurement of the effectiveness of the program?

LISA CHICK: I would say that that also depends a lot on circumstances. Some programs have more capacity to reach out to community in ways that other programs don't and have a better network in order to generate community support, and some programs don't have those capacities.

DAVID EISNER: City Years annual reports usually brag about how they increase annually their commitment from the communities.

LISA CHICK: We do as an organization do a pretty good job of generating that support. But I would not say that that's typical of most AmeriCorps programs.

DAVID EISNER: Thank you.

ROSIE MAUK: I just want to ask one quick question. Kelly and Marcie both talked quite extensively about large numbers of volunteer generation that you all do. And we have had some conversations around that being perhaps part of the description of sustainability, as Marcie implied. And yet this past year when we suggested that we wanted to look at that in our guidelines, found volunteer mobilization, that there was lots of pushback from folks around the country saying that our program doesn't fit into that category. And so, Marcie, maybe you could just talk for thirty seconds or whatever Gretchen will give us on the importance of volunteer mobilization as part of sustainability.

MARCIE SAMPLE: I hope this helps. We serve Mason, Lewis, Grays Harbor, and Thurston counties, very rural, not a lot of financial resources. So the agencies that we serve are dependent on the volunteers. Usually they don't even have enough capacity without an AmeriCorps member to have a volunteer recruitment program. So, for example, I shared the example of Turning Point Domestic Violence. Prior to an AmeriCorps member being there, they had three community volunteers. Because they had an AmeriCorps member that was able to focus on a volunteer recruitment program and establish support and training for those volunteers, she recruited one hundred forty. So I think it's definitely a strength of our program -- was a strength of our program. Our members were very successful. We provided a lot of support and training in how to recruit volunteers and manage those programs. And so the goal for those agencies is to get that corps of volunteers, committed people that will be there for the long term so that they can survive without AmeriCorps funding. But that takes time. It's not going to be accomplished in eleven months.

ROSIE MAUK: Sure. Thank you.

SUNNY MOROLES: I would like to add that no matter how many volunteers you have associated with your organization, you will always need an infrastructure to support them. In particular with the populations we are working with, elders and youngsters, they require even more support and training.

GRETCHEN VANDERVEER: Great. Okay. I have five minutes to four, and we are supposed to end this meeting at four. So can I just see a show of hands of anybody who was hoping to speak but did not preregister? Let's go ahead and take your comments. You can come right up here to the podium without coming up to the table. And again I will give you three minutes. And then we will wrap this up with closing comments.

THEODORE DIETZ: Thank you for accommodating me. My name is Theodore Dietz. I live in the Seattle area, and I'm here as a concerned citizen. As it happens my wife Martha and I are great supporters of one of the programs under the AmeriCorps umbrella, Teach for America, otherwise known simply as TFA. We know something of TFA because our daughter Mya competed for a slot in TFA's annual recruitment back in the summer of 1997 just as she was finishing her undergraduate education at Williams College in Williamstown, Massachusetts. TFA accepted her, trained her, and sent her to a rural all minority high school in North Carolina to teach math where math scores were seriously below standard and no one even existed on staff qualified or daring enough to take on the daunting challenge of teaching remedial math. She spent her two years there in what was without a doubt the most challenging experience of her young life. She gained immeasurably in spirit and maturity from those two years. But she also gained in a most practical manner. She earned \$4,725 in scholarship money for each

year she served in TFA. The total of \$9,450 would play a very crucial role in her life after TFA. From North Carolina she enrolled in a three year dual master's degree program at University of Washington here in Seattle. The \$9,450 plus part-time employment allowed her to complete her education goal at UW entirely at her own expense and without incurring any lingering debt. And with her freshly minted dual master's she got herself so well prepared that the U.S. Department of State offered her a renewable two year contract to serve at the outset as a political officer for the U.S. Embassy in Kigali-Rwanda, a central equatorial African country currently under particular scrutiny by the U.S. government for human rights practices there. Whatever else we might say about the benefits that accrue to Mya from her association with TFA and AmeriCorps, we can say unequivocally that she owes her present career path to TFA and the scholarship that she received for the connection that she had with it for two years. And she ended in public service even yet. I state the above background history in order to make the only two points that I came here to express about federal funding for volunteer stipends or for other financial incentives for full time volunteers. Based on the experience of our family with TFA and AmeriCorps, I would advocate that, one, for the purpose of maintaining the incentive where TFA alumni could do what our daughter did, that is, serve in the public sector for a period of time, return to school to strengthen their educational credentials and to re-enter the public sector to serve even more powerfully, that the tuition grant attached to each successfully completed year of service be guaranteed at no less than its current level of \$4,725 by AmeriCorps. And, two, for the purpose of promoting at least some degree of continuity and sustainability for TFA to expand in poor school districts, that a reserve be established for funding of the tuition benefit during any three year period, thus permitting that the pipeline of TFA participants, from new recruits to second year teachers, have the promise of the benefit honored no matter what happens to AmeriCorps's yearly appropriation. Such is the expansiveness of my list of suggestions to be considered. And I thank you very much.

GRETCHEN VANDERVEER: Thank you. (Closing comments.) (The proceedings concluded at 4 p.m.)